



**USAID**  
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**COMPETE**  
The Competitiveness and Trade Expansion Program

# COMPETITIVENESS AND TRADE EXPANSION (COMPETE) PROGRAM

## FOURTH YEAR WORK PLAN (FY 12)

October 1, 2011 – September 30, 2012



**Revised Version: October 31, 2011**

This publication was produced for review by the United States Agency for International Development. It was prepared by Chemonics International Inc.



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## **COMPETITIVENESS AND TRADE EXPANSION COMPETE PROGRAM**

### **FOUR YEAR WORK PLAN**

October 1, 2011 – September 30, 2012

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## Acronyms

ACE	Agricultural Commodity Exchange for Africa
ACTE	African Competitiveness and Trade Expansion
ACTESA	Alliance for Commodity Trade in East and Southern Africa
ACTIF	African Cotton Textile Industries Federation
AGMARK	Agricultural Market Development Trust
AGOA	African Growth and Opportunity Act
ATI	African Trade Insurance Agency
C&F	Clearing and Forwarding
CAF	Certificate in Agriculture Finance
CAI	Certificate in Agricultural Insurance
CISMM	COMPETE Institutional Sustainability Maturity Model
COI	College of Insurance
COMESA	Common Market of East and Southern Africa
COMPETE	Competitiveness and Trade Expansion Program
COPE	Centre of Phytosanitary Excellence
CQI	Coffee Quality Institute
EABC	East African Business Council
EAC	East African Community
EAAFN	East African Agricultural Finance Network
EAFCA	Eastern African Fine Coffees Association
EAGC	Eastern Africa Grain Council
EAPIC	East African Phytosanitary Information Committee
EU	European Union
ECA	East and Central Africa
FBO	Farm-Based Organization
FEAFFA	Federation of East African Freight Forwarders Associations
FTA	Fiber, Textiles, and Apparel
IBM	Integrated Border Management
JBCs	Joint Border Committees
KSMS	Kenya School of Monetary Studies
MIS	Marketing Information System
MSME	Micro, Small, and Medium Enterprises
MOU	Memorandum of Understanding
OSC	One Stop Center
PMP	Performance Management Plan
RADDEx	Revenue Authorities Digital Data Exchange
RATIN	Regional Agriculture Trade Information Network
RECs	Regional Economic Communities
RFBS	Regional Food Balance Sheet
RTA	Regional Trade Association
SCO	Simplified Certificate of Origin
SPS	Sanitary and Phytosanitary Standards
STS	Structured Trading System
SWS	Single Window System
TMEA	Trademark East Africa
TOT	Training of Trainers
USAID	United States Agency for International Development
USG	United States Government
WRS	Warehouse Receipts System

## Executive Summary

Chemonics International is pleased to present the East and Central Africa (ECA) Trade Hub/Competitiveness and Trade Expansion Program's (COMPETE) fourth year work plan, which also covers the last 15 months of the technical program of the project. The budget reflected in Annex D is for the next 12 months and is based on current incremental funding for the project, which covers the period from October 2011 through September 2012.

This final work plan also offers some major changes in the way the project is presented. It is the culmination of recommendations coming out of the COMPETE internal assessment and a series of meetings among USAID/East Africa, the COMPETE technical team, and Chemonics' home-office management staff. These discussions led the project to develop a revised results framework linked to USAID/East Africa's new Feed the Future results framework; a refocused project vision; and cross-cutting strategies in knowledge management and sharing, capacity building, bilateral support, and partnering.

COMPETE is a complex project with both trade and food security objectives. These objectives are not mutually exclusive. With the announcement of the new African Competitiveness and Trade Expansion (ACTE) initiative, USAID is working to build on the synergies and commonalities of each of these agendas, and COMPETE is on the forefront of these efforts.

The challenge for COMPETE has been to find the right balance to help meet both its trade and food security agendas. The project has three integrated components designed to:

- Reduce barriers to regional and international trade.
- Facilitate the efficiency and competitiveness of key value chains.
- Ramp up trade and investment between the United States and East Africa.

Having an integrated program allows USAID to get maximum returns for its investment in all COMPETE-supported interventions. For example, as the "next generation" trade hub, the ECA Trade Hub/COMPETE is able to work on cross-border trade issues that impact both the movement of food and the movement of important tradable products such as textiles and apparel and coffee.

COMPETE contributes significantly to the USAID East Africa mission's Feed the Future goals and objectives. The region benefits from a value chain approach that hones in on structural and dynamic issues that, when addressed, have an impact greater than just on the staple foods value chain alone. Supporting regional integration with the EAC also paves the way for more efficient supply chains and helps to lower the cost and time of moving goods across borders. These supply chains impact on all products moving across borders, including staple food products. They also have a major impact on the cost of producing and moving food, as well as on the competitiveness of goods exported regionally and globally.

To ensure clarity among the team, USAID, and partners, the implementation framework for the revised COMPETE work plan entails working in three integrated areas each reinforcing and contributing to the other two. The three focus areas include:

- Knowledge management and sharing
- Capacity strengthening
- Analysis and advisory services

We first provide in Section I COMPETE's "big picture": a revised results framework linked to USAID/East Africa's new results framework (Exhibit 1), a refocused project vision, and cross-cutting strategies in knowledge management and sharing, capacity building, bilateral support, and partnering. Section II presents and defines activities for the final 18 months of the contract, supported by Component Roadmaps in Annex A, GANTT charts in Annex B with specific tasks and timing, a revised project organization chart in Annex C, and an estimated budget by component for the next 12 months of the contract in Annex D.

## Section I: Project Vision and Cross-Cutting Strategies

The COMPETE project increases regional and international trade and food security, driving economic growth in East and Central Africa. The project has three components designed to:

- Reduce barriers to regional and international trade.
- Facilitate the efficiency and competitiveness of key value chains.
- Ramp up trade and investment between the United States and East Africa.

This document presents COMPETE's final work plan, covering the last 18 months of the project. The work plan reflects the reframing of the project using three lenses:

- Analysis and advisory services
- Capacity strengthening
- Knowledge management and sharing

We first provide in Section I COMPETE's "big picture": a revised results framework linked to USAID/East Africa's new results framework, a refocused project vision, and cross-cutting strategies in analysis and advisory services, capacity strengthening, and knowledge management and sharing. Section II presents defines activities for the final 18 months of the contract, supported by GANNT charts in Annex A with specific tasks and timing.

### A. Project Vision and Implementation Framework

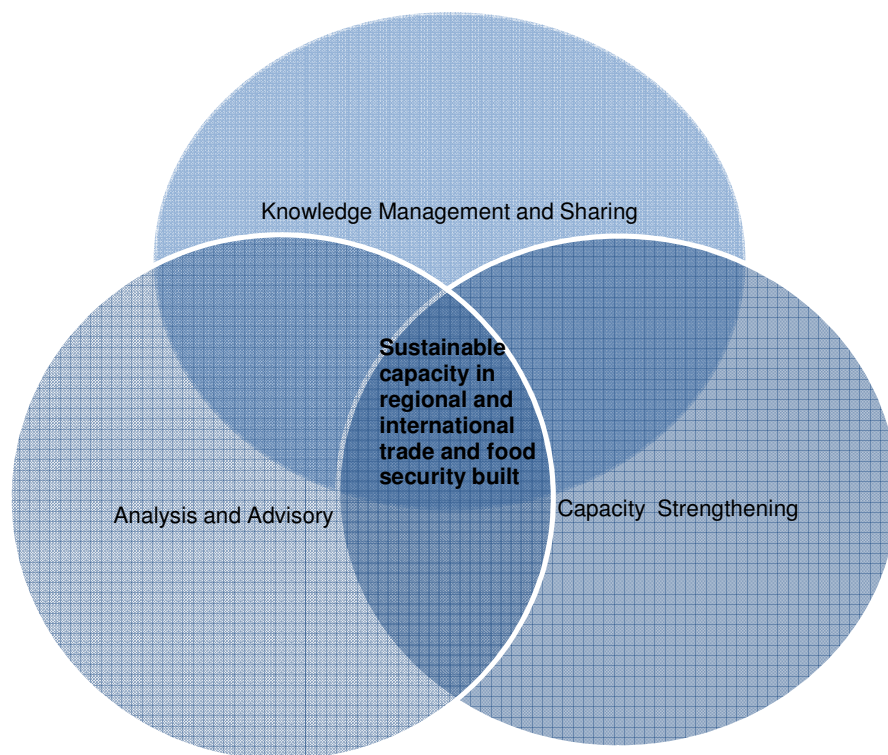
*Vision.* Our team's vision for COMPETE is *to build sustainable capacity for competitive regional and international trade and food security*. To achieve this vision, over the last 18 months of the project, the logical focus is on fostering sustainability of activities and institutional change. We will consolidate gains and undertake activities that are in USAID's and the project's manageable interests. We will solidify, institutionalize, and document gains, and disseminate analysis, lessons learned, and information. For example, we will continue to work to build capacity and coordinated systems in seven regional border posts and not move to other sites; these sites will serve as models and offer lessons learned and guidance for other border posts in the region. Each major activity will have an explicit exit strategy — there must be a home for activities and products post-COMPETE. We are jettisoning activities (e.g., warehouse receipts systems) where we have gone as far as we can go, in tandem with knowledge sharing on lessons learned and best practices. These criteria have guided activity selection and approaches.

*Implementation framework.* To ensure clarity among the team, USAID, and partners, the implementation framework for this vision entails working in three integrated areas, as shown in the exhibit and described below, each reinforcing and contributing to the other two.

- *Analysis and advisory support.* COMPETE undertakes analyses of issues and approaches, distilling needed information — including data analysis, policy constraints and recommendations, or lessons learned in a particular technical area or approach. These analyses and related advisory support feed into knowledge sharing and capacity building efforts. A good example of this is the recent analytical work on staple foods trade bans that are being used to establish EAC policy among member states.



- Capacity strengthening.* Strengthening institutional capacity is one of the greatest challenges USAID faces as it fulfills its mandate and is at the core of COMPETE’s work. Our partners face a range of challenges as they struggle to thrive in complex economic, political, and social environments — constrained by policies, bureaucracy, and limited human and other resources. COMPETE’s job is to build partner organizations’ capacity so that they overcome these challenges and provide quality services and products. Activities take the form of training, mentoring, and guidance that builds both technical and organizational capacity. Critical to this effort is COMPETE’s well-established organizational assessment tool, which identifies and tracks the technical and organizational capacity needs, of key partners — including the Eastern Africa Grain Council (EAGC), African Cotton Textile Industries Federation (ACTIF), and the East African Fine Coffees Association (EAFCA) — with the aim of preparing selected partners for direct support from USAID.



- Knowledge management and sharing.* Knowledge management and sharing is vital to connect USAID staff, COMPETE’s partners and beneficiaries, and the development community with information that will help them work smarter to accomplish their missions. Knowledge management and sharing entails promoting best practices and lessons learned, enriching collaborative partnerships, and assisting in decision-making through research and information sharing. COMPETE has moved from an ad hoc to a more systemic approach of disseminating knowledge products and services to a diverse global audience.

COMPETE will expand the project’s and partners’ websites, ramping up knowledge-sharing communications products and events focused on disseminating lessons learned and best practices. Continuing development of quality manuals and guidance for use by partners, USAID, and donors will be prioritized.

With its interventions in transit, finance, trade policy and cross-border trade and international trade, COMPETE is uniquely positioned in the regional trade environment, and this has enabled the program's performance reporting processes to compile a unique body of knowledge that covers regional trade issues, best practices, and lessons learned. The compiled body of knowledge is currently held in an information repository that forms part of COMPETE's online reporting platform, which is currently operating in beta mode and only serving users internally. The COMPETE online reporting platform will be made accessible over the web and will be expanded to serve as a regional knowledge portal for stakeholders to access and retrieve, not only project performance information, but best practices and lessons learned by the project and other partners.

#### Knowledge Sharing via the Web

COMPETE will expand dissemination of knowledge products through the COMPETE and selected partner sites such as:

COMPETE: [www.competeafrica.org](http://www.competeafrica.org)

Origin Africa: [www.origin-africa.org](http://www.origin-africa.org)

East African Corridors: [www.eastafricancorridors.org](http://www.eastafricancorridors.org)

Regional Agricultural Trade Intelligence Network: [www.ratin.net](http://www.ratin.net)

EAC Trade Help Desk [www.tradehelpdesk.eac.int](http://www.tradehelpdesk.eac.int)

African Cotton and Textile Industries Federation [www.cottonafrica.com](http://www.cottonafrica.com)

Kenya Transport Association: [www.kta.co.ke](http://www.kta.co.ke)

## B. Cross-Cutting Strategies for Implementation

Using the framework described above, implementation of the three project components focused on removing trade barriers, upgrading selected value chains, and facilitating U.S.-EAC trade, will be guided by six linked, mutually reinforcing strategies. Elements of each strategy are described below.

### *Knowledge management and sharing strategy.*

First, greater staff resources will be applied in to improve and expand communications and outreach. This will ensure that COMPETE's experiences, lessons learned, and innovative approaches each of the project's components are captured and available beyond the life of the project. In addition, a home-office communications specialist will undertake a short-term assignment to develop a knowledge management action plan for the project's remaining period of performance and provide surge capacity for the development and dissemination of knowledge management and knowledge-sharing products. Second, we will quickly inventory COMPETE's stakeholders, identifying their current and ongoing information needs and ensuring appropriate communications tools are used to reach them. Third, in terms of content, the emphasis will be placed on gathering, distilling, and disseminating lessons learned and best/good/poor practices for sharing with USAID/Regional Economic Growth and Integration Office and bilateral missions, partners, other donors, and interested parties electronically,

#### Knowledge Management and Sharing: Nuts and Bolts

COMPETE will work in partnership with the USAID/East Africa mission to contribute to and promote knowledge management and sharing activities. To fully implement this approach, COMPETE will address the following:

- USAID branding and partner co-branding of knowledge products
- Appropriate distribution of knowledge products to USG information portals and websites
- Launch the COMPETE "road show" to brief bilateral missions and counterparts on COMPETE activities and regional issues of interest
- Link COMPETE materials to partner websites and for improved information sharing
- Application of social media and video for increased development outreach

through print communication and training materials, and events. Fourth, we will rapidly update the COMPETE website, ensuring information is easily accessible and digestible, including adding country-specific pages and links to detailed reports and other relevant USAID, donor, project, and partner websites and materials. Using email, social media, and video, COMPETE will continue to disseminate targeted communications on topics of interest to the sector, country, or region to its broad network of stakeholders. Fifth, COMPETE will expand outreach and awareness activities directly to the bilateral missions via the COMPETE “road show.” This ongoing series of meetings with USAID bilateral missions will help cement relationships, raise awareness about the supportive and collaborative role of a regional program, and leverage mission support to gain buy-in at the national level for East African regional integration issues. It also will ensure that COMPETE’s knowledge management activities are fulfilling information needs at the bilateral level. COMPETE’s success in this effort will be measured by increased awareness and engagement from the bilateral missions on the domestication of issues on the EAC agenda, such as harmonized staple foods standards, regional food balance sheets and regional SPS and pest risk analysis. Finally, we will help partners build the knowledge management capabilities of their websites, training materials, and manuals with a view toward sharing knowledge at the national levels. We will also assess the potential of working with the Alliance for Commodity Trade in East and Southern Africa (ACTESA) to take over the COMPETE website content at the end of the project.

*Capacity building strategy.* As COMPETE approaches its final year, ensuring that partners have the capacity to facilitate regional and international trade and regional food security is the project’s end game. We will take a two-pronged approach. First, for technical capacity building — a critical method for sharing knowledge through training and mentoring — we will continue to use tried and true advisory support, training, and the Partnership Fund resources. Second, to build organizational capacity, in consultation with USAID, we will target a select group of partners with the aim of helping prepare them for direct USAID funding. Our support will be based on findings from the COMPETE sustainability tool assessment, interventions, and progress toward meeting USAID criteria for direct funding support, coordinating with the new African Institutions Innovation Mechanism effort as appropriate. COMPETE has already made inroads in this area. For example, for EAGC, beyond technical capacity building, we have been providing training and mentoring on accounting systems and managing and developing M&E systems and reporting data to donors. Whether technical or organizational capacity building, we will continue to leverage other USAID project, donor, and private sector resources. As part of this work, and described below in the bilateral strategy, we will extend the best of regional partner and pilot national activity lessons learned to the national level. For example, a current effort in specialty coffee is based on lessons learned in Kenya; we are facilitating a deal between EAFCA, Uganda Coffee Traders Association, Standard Chartered Bank Uganda, and a collateral management firm to provide purchase order financing for smallholder produced coffee. Likewise, we will also continue to build centers of excellence for the region in insurance (Kenya College of Insurance), finance (Kenya School of Monetary Studies/Central Bank of Kenya), freight forwarding

#### **Partnering for Success**

Using the Partnership Fund, COMPETE has accessed the services of more than 25 local consulting and training firms to implement project activities. Consulting firms such as Imani Development and Aspect Consultants are working to identify and map key intraregional trade corridors while “centers of excellence” training entities such as the Kenya School of Monetary Studies and the Centre of Phytosanitary Excellence are delivering internationally recognized training courses in the region.

(Federation of East Africa Freight Forwarders Associations) and sanitary/phytosanitary issues (Centre of Phytosanitary Excellence) that serve as models for and can provide guidance and insights to national entities.

*Bilateral strategy.* COMPETE and its partners have tested, piloted, innovated, and implemented a range of activities over the last three years at the regional and national levels; we have a bird's eye view of regional and international trade, transit, finance, and competitiveness challenges and opportunities. Best practices have evolved from successes, adjustments when faced with challenges, and failures. Going forward, COMPETE will systematically reach out to two groups of stakeholders at the bilateral level: USAID missions and national entities. Whenever possible, this will be done in partnership with regional partners to help build their experience, capacity, and credibility (as illustrated by the specialty coffee work in Uganda described above). In terms of the USAID missions, the objective is to help USAID operationalize work in COMPETE's technical areas, offering relevant, credible services, for Feed the Future activities. We will continue to inform USAID missions on current in-country activities, promote available advisory and capacity building services and knowledge resources, and provide demand-driven support through consultations, activity and document reviews, and development and facilitation of joint pilot activities that leverage regional and bilateral resources. At the December 2011 regional meeting, we will include one-on-one sessions with mission staff providing updates on current activities in country and identification of opportunities to support mission activities. A recent example of this approach is the staple foods team's provision of technical support on structured trade, including steps required to establish a sustainable commodity exchange, to the bilateral missions in both Uganda and Tanzania.

*Partner strategy.* COMPETE partner selection and support will continue to be driven by component activities and expected results, industry relevance, and organizational capacity. The Partnership Fund will continue to fund technical innovations, activities that reduce barriers to trade, and the institutionalization of activities and services for a smaller group of targeted partners that have the potential to receive direct grant support from USAID. Special emphasis will be placed on operational and financial sustainability. The Partnership Fund will focus on strengthening the institutional capacity of selected regional trade associations (RTAs) and partners that are already, through COMPETE support, well on their way to having the necessary organizational and financial capacity of working directly with USAID. As part of these efforts, COMPETE has refined current its "graduation" or selection criteria (see text box), the latter based on guidance from USAID on "grant-worthy" requirements. This will assist USAID in the process of selecting grant-ready organizations. Additionally, as described in the bilateral strategy above, we will prioritize increasing knowledge and capacity of national members of partners; ensure resources for analyses to use for advocacy are available via COMPETE team or through funds to access local consulting services; and ensure that all lessons learned and results from Partnership Fund activities are synthesized for knowledge sharing both on the COMPETE website and through other knowledge-sharing forums.

**Provisional Selection Criteria  
for Targeted Partners**

To build "grant worthiness," selected Partnership Fund organizations will have:

- Clear written vision and strategy
- All administrative, financial and organizational systems in place and operating
- Long-term financial sustainability plan
- Documented evidence supporting prior project management experience
- Clear written objectives linking organization to targeted industry goals
- Organizational bylaws

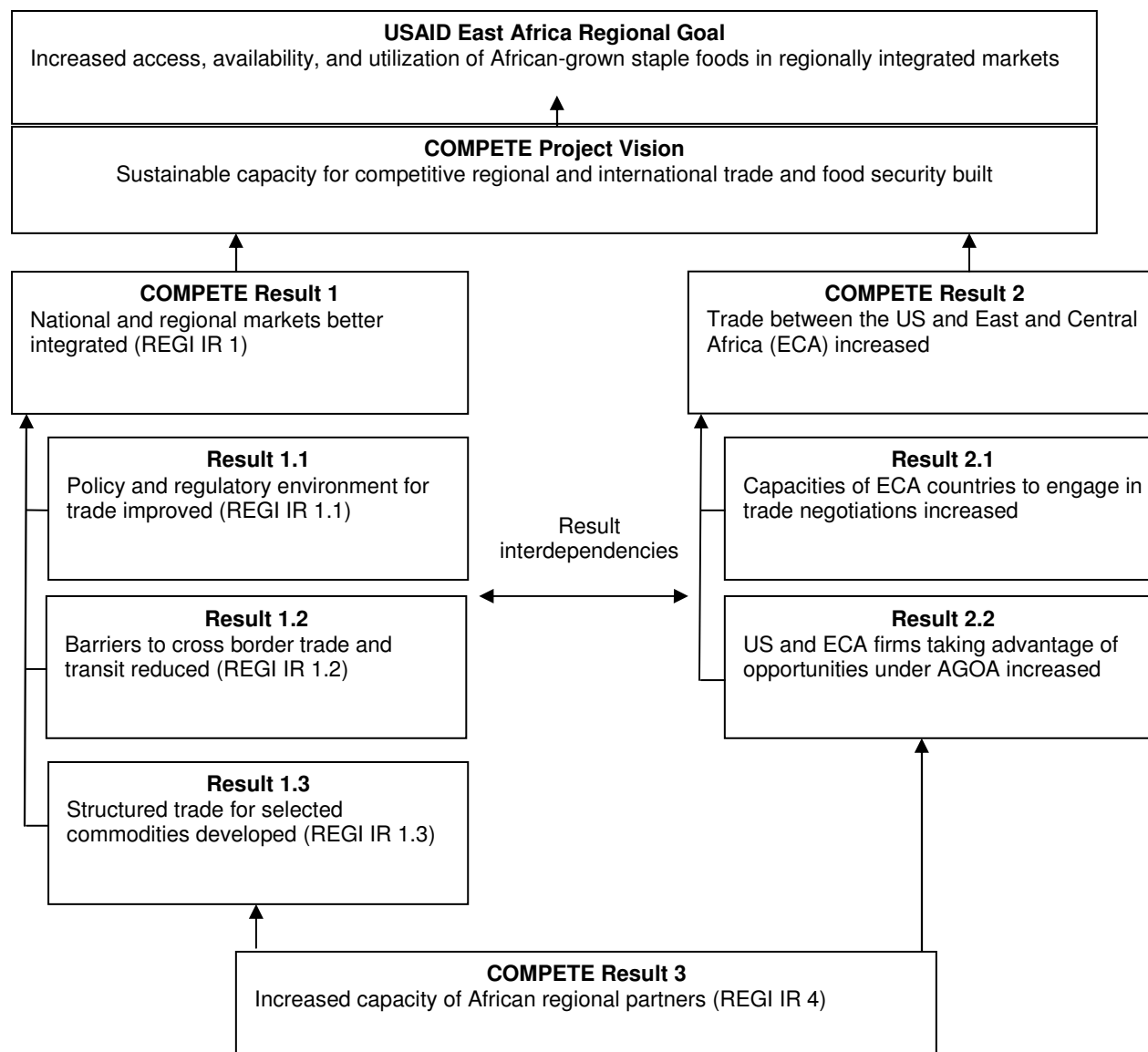
*Staffing strategy.* Responding to recommendations arising from the USAID internal assessment performed in August 2011, COMPETE is reframing the project to ensure efficient and effective rollout of the implementation framework and cross-cutting strategies. To that end, COMPETE is strengthening knowledge management and capacity building activities. A draft organization chart appears in Annex C.

*Monitoring and evaluation (M&E) strategy.* The COMPETE FY12 M&E strategy has been informed by the observations and recommendations made by the USAID internal assessment. As shown in Exhibit 1 below, COMPETE has revised its results framework to align with USAID/East Africa's Feed the Future strategy. Strengthening monitoring and evaluation during the life of the contract also will include the following actions:

- Reducing the number of indicators on which COMPETE reports.
- Using M&E data as a tool in an improved knowledge management platform.
- Ensuring a direct field monitoring linkage between data submissions and actual field activities.
- Confirming that data quality assessments meet USAID requirements.

COMPETE's program performance monitoring and evaluation roles shall adopt the recommendations of the assessment and continue to support the program team and USAID/East Africa with performance data to drive evidence-based decision making and to provide capacity building for COMPETE partners institutions to develop their internal M&E systems and their institutional governance to support their growth towards sustainability.

## EXHIBIT 1: REVISED COMPETE Results Framework – October 3, 2011



## Section II: Component Work Plans

### A. Component 1: Reducing Barriers to Trade

The high cost of transport is one of the key barriers to trade on the African continent. Delays are caused by the poor condition of physical transport infrastructure (ports, roads, railways, border posts); poor transit facilitation; limited use of technology; limited use of through transport logistics solutions; and limited political will to transcend national interests in favor of broader regional solutions.

Political will is slowly changing through the enactment of treaties, agreements, and policies that would lead to greater regional integration across the East and Central African region. However, the frameworks and systems on the ground are not yet in place to allow for the unhindered flow of goods, services, and people across borders within a market-driven and competitive environment.

Component 1's approach is to undertake targeted interventions that will have the greatest impact on the reduction of time, cost, and complexity of procedures along the major regional transport corridors for East Africa. The aim is to foster a coordinated approach involving governments, regional economic communities (RECs), and the private sector to put in place an improved regional environment for enabling trade.

The focus will be on the five countries constituting the EAC: Burundi, Kenya, Rwanda, Tanzania, and Uganda. Interventions will also extend to countries that are dependent on the EAC for transit, such as Democratic Republic of Congo (eastern and northern regions), Southern Sudan, Zambia, and Malawi. Component 1 will also focus on the border posts identified in the Feed the Future strategy, with the aim of reducing transaction costs along regional transport corridors in East Africa. Implementation partners will include the EAC Secretariat, EAC partner states (governments), corridor authorities, and the private sector (see text box). These are partners who have a shared interest with COMPETE in ensuring actualization of agreed-upon activities,

#### Component 1: Implementation Partners

COMPETE works with the following key public and private sector partners:

- **Private sector** – Transit associations such as clearing and forwarding agents, transporters, importers and exporters will be partners in scaling up evidence-based advocacy to reduce cost, time, and complex procedures that impact on the cost of doing business. Associations include: Kenya Shippers Council, Federation of East African Freight Forwarders Associations, Kenya Transport Association, and Uganda Shippers Council.
- **Public sector** – The EAC Secretariat, customs authorities, corridor authorities, and select ministries will help to drive activities such as the Revenue Authorities Digital Data Exchange, integrated border management, and joint border committees.
- **USAID bilateral missions** – The project will work with USAID missions to identify and collectively exploit windows of opportunity, particularly in national-level implementation of agreed-upon regional policies and standards that impact on regional trade.
- **Other donor projects** – COMPETE will coordinate with other donors and donor programs, such as Trademark East Africa, Japan International Cooperation Agency, the Southern Africa Trade Hub, and others on activities of common interest — such as RADDEX, e-SWS, customs procedures and standards and integrated border management — to promote synergies and sharing of best practices and models.

have capacity to take a lead role in spearheading implementation, and have already taken ownership of activities and processes that COMPETE is implementing.

## A1. Vision and Strategy

*Vision.* Building and strengthening systems and capacities to promote seamless and efficient trade.

*Strategy.* The Component 1 strategy will be based on a number of strategies which include the following:

*Analysis and impact.* Activities/interventions are selected on the basis of having the greatest impact on time, cost, and procedures. Targeted analytical work will be undertaken to inform interventions and facilitate setting of targets and benchmarks.

*International best practices and pilots.* COMPETE will utilize international best practices and provide targeted technical assistance support — including short-term technical assistance; advisory support to address specific areas/issues by building on successes achieved as a basis for sustaining pilot projects in the region, such as EAC Trade Help Desk; customs connectivity through Revenue Authorities Digital Data Exchange (RADDEX); joint border cargo clearance through joint border committees (JBCs); electronic linkages through electronic single window systems (e-SWS); and port improvements through One Stop Centers (OSCs) in Mombasa and Dar-es-Salaam ports, among other interventions.

### Component 1: Approaches for Sustainability and Institutionalization

- Work with key public and private sector partners
- Put in place systems and technologies to be owned and managed by partners
- Promote private sector collaboration on advocacy, information exchange, and resource sharing as a core business of transit associations
- Identify “champions for change” and provide them tools to be effective

*Partner buy-in and ownership.* In undertaking activities, Component 1 will partner with key selected national or regional institutions — the EAC Secretariat and governments on policy implementation; customs and other agencies on customs reforms trade facilitation; and private sector transit associations on evidence-based advocacy — with a view to promoting regional private sector collaboration on advocacy, knowledge management and information exchange, and resource sharing. The aim is to ensure that activities have the buy-in and ownership of local (regional and national) partners, as this will drive accelerated implementation and foster sustainability in the long-term. COMPETE’s role is that of a catalyst, to give visibility and ownership to local partners to enable them actualize identified measures and opportunities.

*Collaboration with bilateral missions and other donors.* There are a number of donors working to reduce barriers to trade. Component 1 will promote collaboration with other donor projects and USAID bilateral missions to foster synergies in national-level implementation of regional policies, standards, and other measures to address barriers to trade.

*Sharing of best practices and dissemination of models.* A key part of our approach will be to document and share best practices, models, and tools across the region with partners in



governments, other donor projects working on similar initiatives (TMEA, JICA, World Bank, AfDB), other trade hub projects (SATH and WATH), and USAID bilateral missions.

## **A2. Analysis and Advisory Activities**

While a number of policies and standards impacting on trade have been agreed upon, these are yet to be assimilated and domesticated at national levels to pave the way for implementation. Implementation guidance to both the EAC Secretariat and partner states will be a major aspect of COMPETE support, so as to institutionalize critical policies and harmonized standards on an accelerated and sustained basis.

The analytical work and advisory activities will take the form of studies and analysis whose findings and recommendations will support knowledge management and sharing; development of capacity building products; as well as ongoing advisory services to policy makers, trade practitioners, operators, businesses, and the private sector on issues that impact upon the cost of doing business, competitiveness, reducing barriers to trade, and creating a business enabling environment.

To achieve this, Component 1 will work in the following five key areas:

***Trade capacity support*** – Analytical support to EAC, governments, and the private sector will help them to better understand and respond to the changing dynamics of regional trade as a result of consolidation of regional trade arrangements on issues like the EAC Common Market and Tripartite Free Trade Area. This will include positioning the private sector to provide informed input into these processes.

***Integrated border management (IBM)*** – COMPETE will provide advisory support to EAC and governments to adopt the IBM concept and improved management of borders to reduce delays and cost at borders. This will include advisory support to EAC and governments on electronic single window systems (e-SWS).

***Corridor efficiency improvements*** – In line with the Feed the Future goal of “reducing transaction costs along regional transport corridors,” Component 1 will provide targeted analytical support to corridor authorities and other stakeholders to adopt an issue-based targeted approach to addressing barriers to intra-regional trade that would result in reducing the high cost of doing business in the region.

***Evidence-based advocacy*** – The project will provide analytical work to support evidence-based advocacy and informed positions by partners in trade negotiations through production of policy position papers on issues which are important to creating and business enabling environment.

***Logistics information for value chain trade*** – Support to value chain actors in staple foods, cotton, textiles and apparel, and specialty coffee will help them to better understand and integrate logistics efficiency issues in their value chains as a way of reducing transaction costs and fostering industry competitiveness through web-based tools and targeted interventions.

### **A3. Knowledge Management and Sharing Activities**

There is a lack of understanding by key stakeholders on the practical implications of the EAC Customs Union and Common Market on business and how to trade across borders by small traders. There is also a gap in terms of sharing information on emerging developments that impact on doing business in East Africa, such as new rules for conducting trade under the Common Market. Businesspeople need to understand the implications of these new rules on their particular industries and sectors. Additionally, sharing of models, best practices, and lessons learned across the region is limited, and COMPETE will seek to bridge this gap. In doing this, Component 1 will coordinate and collaborate with other donors.

COMPETE will distil and package issues to suit specific clusters of users and target audiences. This will require, for example, undertaking quick national and regional surveys to determine the specific information gaps and areas of interest to specific users and constituencies. Working with partners, COMPETE will design specific tools to fit particular audiences in terms of knowledge management and information sharing, such as use of various forms of mass media (television, radio, newspapers) and mediums (internet and websites), as well as instruments that can reach the wider community (e.g., billboards at borders, brochures in English and local languages).

Specifically, Component 1 will work in the following six key areas:

***Trade capacity support to EAC and governments*** – Use analysis generated to produce products, systems and approaches that support EAC, governments, and the private sector to better respond to the changing regional trade dynamics.

***Customs IT connectivity*** – Develop user guidelines and documents to facilitate improved use of RADDEx by customs, clearing and forwarding (C&F) agents, and shippers (importers and exporters).

***Private sector awareness of emerging trade arrangements*** – Use outreach forums, directories, guides, and media to raise private sector awareness on reducing barriers to trade and regional integration in general and position the private sector to more proactive and have more visibility.

***Harmonized customs systems and procedures*** – Through seminars, workshops, user guides, etc., promote enhanced understanding by customs officials, logistics chain players (such as C&F agents and transporters), and traders (importers and exporters) of new regionally harmonized customs systems and procedures.

***Joint cargo clearance systems and practices*** – Promote awareness on joint cargo clearance inspections by government agencies involved in cargo clearance (plant health, standards, customs, etc.) at borders through joint border committees and ports through One Stop Centers and the move to e-SWS.

***Knowledge management tools*** – Working with the EAC, governments, and the private sector, Component 1 will develop various tools such as manuals on customs valuation and procedures, manuals on RADDEx, information directories, and other tools to promote enhanced

understanding of various developments and issues with respect to the emerging trade arrangements in East Africa.

#### **A4. Capacity Strengthening Activities**

The slow pace of implementation of agreed-upon regional policies and trade facilitation instruments is a function of lack of capacity at three critical levels: the EAC Secretariat (regional), EAC governments (national), and the private sector (business/industry level). This lack of capacity has meant that regional policies have not been translated into clear implementation road maps within defined timeframes. It has also meant that advocacy by the private sector has not been supported by evidence and the private sector has remained largely reactive rather than proactive.

Capacity building will therefore be at three levels: building capacity of key partners to undertake technical work, strengthening institutional capacity and advocacy by private sector partners, and building systems for sustainable management of trade facilitation. Technical capacity building support will involve, for example, equipping select private sector partners with the necessary tools to undertake evidence-based advocacy, while institutional capacity building support will involve putting in place systems, procedures, and management practices that foster sustainability.

Specifically, Component 1 will work in the following six key areas:

***Strengthen EAC trade capacity*** – Operationalize the EAC Trade Help Desk and create capacity and tools within the EAC to educate the public on regional integration arrangements, including support to the EAC revenue authorities to institutionalize the simplified certificate of origin (SCO), which benefits small traders. This will also entail creating capacity and strategies for educating the general public on regional integration arrangements — in particular, on issues such as why trade is important and the meaning and benefits of Customs Union and Common Market — to stimulate grass-roots understanding and support for these regional integration arrangements. A key element will also be to raise awareness on the cost of corruption in trade facilitation and the need to raise public awareness on anti-corruption measures.

***Implement EAC harmonized customs systems*** – Work with EAC revenue authorities and users (C&F agents, traders and transporters) to ensure assimilation of the new systems in their day-to-day business operations. COMPETE will consolidate and build systems like RADDEx 2.0, including building within the EAC and revenue authorities (customs) structures for effective management of RADDEx 2.0.

***Improve logistics supply chain management*** – Develop tools (such as Internet-based tracking systems) to enable value chain players (such as in staple foods) to understand and therefore intervene on logistics supply chain issues that impact their particular value chains and industry clusters, as inefficiencies in logistics are among the key drivers of cost in the region.

***Sustainability of private sector partners*** – Provide targeted institutional capacity building support to key partners through undertaking institutional assessments and sustainability plans, targeted grants, and training to put the selected partner institutions on the path to sustainability.

This will include training and development of manuals intended to strengthen institutional capacities of partner organizations in areas such as human resources, accounting, procurement, management procedures, ethics and accountability, etc.

***Strengthen joint border committees*** – Provide operational capacity support to JBCs at select borders to enable them to sustain joint cargo clearance across agencies and put in place systems to monitor and manage benchmarks with respect to time and efficiency of cargo clearance. As feasible, put in place localized electronic cargo clearance systems. This will also entail providing support to select government ministries (such as Ministries of Trade) to better coordinate JBCs at the national level. COMPETE will coordinate with other donors, such as Trademark East Africa (TMEA), in providing implementation support for the e-SWS and IBM to ensure synergies across interventions and to optimize resource utilization and impact.

***Operationalize One Stop Centers (OSCs) at Dar es Salaam and Mombasa Ports*** – Operationalize OSCs in the ports of Dar-es-Salaam and Mombasa to reduce delays in cargo clearance by providing support in re-engineering of business processes, setting up localized electronic cargo clearance systems, and providing training to officials and users as a means of reducing port dwell times (number of days that cargo stays in ports awaiting clearance) and enhancing port efficiency.

#### **Key Component 1 Deliverables**

- Sustainability plans in place for at least two transit associations.
- RADDEx 2.0 migrated to EAC Secretariat and being managed by revenue authorities.
- EAC Trade Help Desk operational and being used by stakeholders.
- Joint border committees operational and undertaking joint border inspections across agencies in at least two EAC countries.
- At least three policy position papers related to reducing the cost of doing business and regional trade arrangements in EAC developed and disseminated to partners.
- At least two public education strategies on regional integration and anti-corruption developed and disseminated to partners.

## B. Component 2: Value Chain Development

### B1. Vision and Strategy

*Vision:* Building sustainable capacity to improve access to markets.

*Strategy:* The Component 2 strategy is based on the following:

- Building technical and organizational capacity to sustainably deliver services such as institutionalizing new products, tools, and approaches, as well as building the operational capacity building of selected partners to effectively utilize outside funds, including USAID direct assistance.
- Linking lead firms to financing via partners such as RTAs.
- Developing and further disseminating tools, analysis, products, and systems for MIS, experiences, learning, synthesis, etc.
- Developing national-level roadmaps to adopt regionally accepted initiatives (i.e., domesticate regional initiatives such as training of trainers, standards, and tools) with partners such as national associations and national governments.

As a regional competitiveness project, COMPETE is tasked with developing regional competitiveness value chain strategies for each of our supported value chains. Developing sector-level strategies that are relevant to a whole business sector can be complex, as the dynamics and capabilities of the individual firms that make up that value chain vary considerably. The challenge in competitiveness strategy development is to develop interventions that are relevant to the majority of the firms and players in the value chain. This balancing act becomes more complicated when developing regional sector strategies, where sector dynamics from one country to another vary even more widely than those between firms within a single country.

It is important to understand the difference between regional strategies and national-level strategies, as show in Exhibit 2.

#### Component 2: Implementation Partners

COMPETE works with the following key public and private sector partners:

- **Private sector** – Regional trade associations such as the Eastern Africa Grain Council, the African Cotton & Textile Industries Federation and the Eastern African Fine Coffees Association, East African Bankers Association, East African Private Equity Association, East African Insurance Association; private firms such as Coffee Quality Institute, Sustainable Harvest, Green Mountain Coffee, African commercial banks, grain traders, and millers,
- **Public sector** – The EAC Secretariat, EAC Agriculture Committee, COMESA bodies (such as the Alliance for Commodity Trade in Eastern and Southern Africa and Africa Trade Insurance Agency), East African Phytosanitary Committee (EAPIC), Kenya School of Monetary Studies, and Kenya College of Insurance.
- **US Government** – USAID bilateral missions, the Office of the U.S. Trade Representative, and the U.S. Department of Agriculture.
- **Development Partners/Donors** – World Bank, African Development Bank, European Union, Common Fund for Commodities, International Trade Centre, World Food Programme, FAO, Trade Mark East Africa, West African Trade Hub, and Southern Africa Trade Hub
- **NGOs** – Agricultural Commodities Exchange Africa Trust (ACE), Agricultural Market Development Trust (AGMARK), Alliance for a Green Revolution in Africa (AGRA), Farm Concern International, Cereal Growers Association, Rural and Urban Development Initiative (RUDI), and One Acre Fund.

## Exhibit 2: Regional Strategies — Why they are Important and What They Are

### Regional Strategies

Why they are important and what they are

*Regional integration is becoming an increasingly important driver of economic development in Eastern Africa. Regional sector-level strategies that promote greater value capture and the development of seamless cross-border value chains will help strengthen the push for integration. The private sector can lead the thought change required to bring all of this about.*

#### A Regional Strategy is Not...

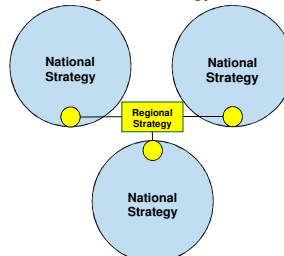


...an aggregation of national strategies

#### Dispelling Myths

- A regional strategy is not larger than a national strategy
- A regional strategy does not contain all of the same elements of a national strategy
- A regional strategy will not address or attempt to resolve all country-level issues.

#### A Regional Strategy is...



...an opportunity to focus on common issues/constraints

#### Accepting Certain Realities

- Given the potential breadth of a regional strategy, it is important that it focus only on specific elements (SEE NEXT SLIDE) that cut across national strategies
- A regional strategy is a complement to and not a substitute for a national strategy.
- Country-level sector strategies are critical for the success and development of regional value chains

2

A regional strategy is not simply an aggregation of national-level strategies. A regional strategy has to focus on areas of convergence, commonalities, and key issues that cut across national strategies that can be more effectively addressed at the regional level.

The design of the competitiveness strategies supported by COMPETE has been preceded by selection and analysis of the value chains with the greatest potential to contribute to sustainable food security and economic growth. Value chain analysis is a critical prerequisite for strategy design because it identifies and prioritizes the constraints and opportunities that affect the competitiveness of an industry.

COMPETE's three value chain strategies continue to shape the regional agenda in the staple foods; fiber, textiles, and apparel (FTA); and specialty coffee sectors — and are all increasing value chain competitiveness and allowing the private sector to drive regional integration. COMPETE will continue to work to align the strategies of key regional and national organizations to the priorities contained in the regional value chain strategies. This will allow COMPETE to leverage partner resources (both human and financial) and augment the project's capacity to deliver results. It also enables COMPETE to coordinate and facilitate implementation, ensuring the consistent execution of regionally developed initiatives at the national level.

COMPETE's approach to developing regional strategies has been very well received by all stakeholders, and the process yielded approaches that will continue to increase the competitiveness of the value chains and help the private sector to drive regional integration.

### Why is a Competitiveness Strategy Important?

A competitiveness strategy provides the roadmap to move an industry to sustained higher rates of growth. Without a strategy, it is difficult for firms to overcome the tendency to see each other solely as competitors, which hinders their ability to collaborate or take leadership to leverage resources, overcome common barriers and meet marketplace demand.

These strategies have also been an excellent tool for raising awareness among national value chain participants about the need for and benefits of greater regional collaboration.

COMPETE does not have the capacity to address every issue identified in the strategies. The objective has been to identify key partners who can take the lead on specific issues and to develop a road map for implementation. COMPETE's role is to coordinate efforts and to continue building support for the strategies among national and regional partners.

To do this successfully, COMPETE will need to continue to work to align key regional and national organizations to the regional priorities. This allows COMPETE and its RTA partners to leverage external resources (both human and financial) and augment the project's capacity to deliver meaningful results. It also positions COMPETE to coordinate and facilitate implementation, ensuring the consistent execution of regionally developed initiatives at the national level. And, the region's stakeholders are looking to COMPETE to lead.

COMPETE will engage other regional and national partners — including, where appropriate, bilateral USAID missions and projects — to implement initiatives that are outside of COMPETE's purview, such as national coordination and implementation of regional policies and standards, support to national associations or farm-based organizations (FBOs), etc. This will help ensure full coverage of strategic priorities and ensure that overall strategies are moving forward.

## **B2. Value Chain Development Subcomponent 1: Staple Foods Value Chains**

### **The Regional Opportunity**

To achieve its mandate, COMPETE supports efforts to increase the volume and value of staple foods traded within in East and Central Africa, with an emphasis on increasing smallholder access to better integrated regional commercial markets. COMPETE's work is fully aligned with USAID/East Africa's 2011-2015 Feed the Future strategy. COMPETE works to address existing challenges associated with increasing smallholder participation in the regional value chain including:

- A lack of structured trading mechanisms linked to regional markets and accessible by smallholders.
- A lack of sufficient quantities of aggregated smallholder-produced grain meeting regional quality standards and downstream market requirements.
- Lack of quality incentives to award smallholder producers for producing higher quality grain.
- A lack of sufficient village-level drying and storage facilities available for smallholder producers.
- A lack of financing available to cover both production and storage costs for staple foods.
- Lack of market linkages with commercial buyers of cross border grain.
- Lack of timely regional market information and trade data.
- Inconsistent trade policies and arbitrary trade and export bans.

## **COMPETE's Strategic Approach**

COMPETE's multi-pronged approach to increasing the regional trade of staple foods is based on the recommendations of a regional staple foods competitiveness strategy developed in Year 1.

COMPETE is:

- Taking a leadership role in promoting structured trading systems (STS) in the region. STS are characterized by the adoption of formal trading practices such as the use of formal commercial contracts, using financial products such as warehouse receipt systems (WRS) and purchase order financing, and promoting grain trading systems that use more formal price discovery mechanisms, such as commodity exchanges.
- Supporting efforts to increase market information on opportunities for regional trade and price information to increase buyer and seller awareness of tradable staple foods.
- Supporting efforts to improve the enabling environment for the trade of staple foods.
- Supporting the private sector through the EAGC to advocate for an open and free market to trade staple foods and increase member awareness of how to trade grain.

The project's staple foods program will build on progress made on developing a regional staple foods competitiveness strategy. For the balance of the program, COMPETE will continue to drive activities forward under the three regional strategic priorities identified in the strategy (structured trade, market information systems and policy and standards). COMPETE will also continue to work to align key regional and national organizations to the regional priorities. This will allow COMPETE and its RTA and REC partners to leverage external resources (both human and financial) and augment the project's capacity to deliver meaningful results.

There is no question that structured trading systems have been slow to develop in Eastern Africa; however, systems that contribute to the rationalization and formalization of regional value chain governance are essential to the long-term competitiveness of the staple foods value chain and regional food security. COMPETE will continue to focus on developing and institutionalizing the fundamental building blocks required to nurture and strengthen structured trading systems in the region.

COMPETE recognizes that in the final 15 months of the technical program, it will not be able to fully address all of the issues related to structured trade. However, it is important that the project works to move key issues forward so the region is further along the path to sustainable structured trading systems.

By building the sustainable capacity of key partners — including EAGC, ACTESA, EAC, East African Phytosanitary Information Committee (EAPIC) and the Center of Phytosanitary Excellence (COPE), the Agricultural Commodity Exchange for Africa (ACE), and lead firms — the project will begin to prepare them for independence or to more effectively utilize future funding directly from USAID or other donors. Throughout this subcomponent, the team will refine, package, and disseminate project and partner-developed tools, analyses, and lessons learned.

In addition, with USAID missions aligning their strategies to Feed the Future and developing programs that address long-term food security, this is an opportune time for both COMPETE and



USAID/East Africa to jointly approach the bilaterals with a roadmap for better coordinating and transitioning key regional staple foods activities to national-level implementation.

## **B2a. Analysis and Advisory Activities**

COMPETE's analysis and advisory work will focus on the following six key activity focus areas:

### ***Advising partners on the roll out and implementation of the regional staple foods strategy –***

COMPETE worked closely with a number of partners to develop the regional staple foods strategy and is working with other partners to coordinate and implement key activities; however, to ensure the sustainability of the strategy, COMPETE needs to find a regional champion to ensure the strategy has an institutional home. The Common Market of East and Southern Africa (COMESA) could be a suitable home for this initiative, with ACTESA leading implementation of key strategic initiatives in conjunction with the EAGC. COMPETE will evaluate ACTESA's capacity to take on this role and engage them in the process to ensure that progress is made in key areas, will continue to advise regional and national partners on implementation of key strategic initiatives.

***Developing the building blocks of structured trading systems –*** The slow adoption of structured trading systems in East Africa is attributable, in part, to rigidities in national systems (e.g., WRS) that drive up costs and are a disincentive to smallholder usage, a lack of coordinated and regionally recognized standards for storage facilities and their operation, and the limited use of contracts and contract enforcement mechanisms. COMPETE, working with the EAGC, will continue to take a leadership role to ensure that these fundamental building blocks of structured trade are in place by focusing on the following activities:

- *Collateral management systems.* COMPETE will conduct an assessment of the region's collateral management models, assess costs and evaluate regulatory and other requirements, and develop a set of recommendations for more flexible collateral management services. COMPETE will then support EAGC to develop and promote a new approach to collateral management.
- *Minimum storage standards.* Another factor that is limiting the utilization of the region's storage capacity is a lack of coordinated and regionally recognized/accepted minimum standards for storage facilities and their operation. COMPETE will develop minimum storage standards in conjunction with the EAGC and other WRS stakeholders for presentation to the EAC for adoption and dissemination to member states.
- *Contracts and contract enforcement.* To drive usage of contracts and contract enforcement mechanisms COMPETE will work with the EAGC to review and upgrade existing trade and storage contracts and promote their wider use.

***Advising EAGC on improving and expanding RATIN –*** As part of COMPETE's continued effort to improve the quality of staple foods data and strengthen MIS in the region, we will continue to work with key partners to address the issue of data quality/consistency across the region and transform the Regional Agriculture Trade Information Network (RATIN) into a regional platform that responds to user needs and addresses the region's marketing information systems (MIS) inefficiencies.

To address the issue of data quality, COMPETE will work with the EAGC, ReSAKKS, and bureaus of statistics to finalize the harmonization of a regional market data collection methodology. COMPETE will provide technical assistance and guidance to the EAGC as it expands and redesigns RATIN. To inform the redesign, COMPETE will engage a firm to conduct a comprehensive end-user survey to better understand user data needs and delivery preferences. COMPETE will also facilitate the expansion of RATIN by supporting the addition of new products to RATIN. Specifically, COMPETE will help to link selected commodity exchanges in the region to provide real-time price information. COMPETE will also support the development and piloting in 5 to 10 warehouses of a scalable, real-time warehouse volume tracking system that will help expand the utility of the regional warehouse map and increase awareness of available volumes across the region.

***Developing, domesticating and ensuring sustainability of regional policy and standards initiatives*** – The staple foods team will continue to work closely with COMPETE’s trade policy advisor to:

- Facilitate the domestication of the 22 harmonized grains standards by working with bilateral partners, including USAID missions, to develop national implementation roadmaps.
- Improve the sustainability of the regional food balance sheet (RFBS) by advising the EAGC on the establishment of a regional food balance sheet working group designed to oversee and manage the RFBS system.
- Advise the EAC on the establishment of a “Green Channel” for staple foods through continued support to EAPIC as it completes a regional pest risk analysis for staple foods and advises the EAC on the development of a regional pest risk list.

***Assessing trade potential and importance of regional horticulture*** – Given the importance of regionally traded fruits and vegetables to improved nutrition and enhanced regional food security and to better inform future interventions in the sector, COMPETE will map the region’s key production areas and conduct a supply-side/end-market study of the regional staple foods trade that builds on the recently completed cross-border trade flow assessment. The study will focus on the major regional produce markets in the EAC, highlighting major trade flows. To better engage with the region on horticulture issues, COMPETE will convene a regional workshop in October or November 2012 to review findings and discuss regional interventions and will advise those bilateral missions working in horticulture on regional trade issues.

***Taking a leading advisory role in regional trade in staple foods*** – COMPETE will strengthen its ties with the bilateral missions and continue to advise them on key regional issues related to structured trade, MIS, and policy/standards. The staple foods team will continue to work with the finance team to identify value chain actors that could benefit from facilitated access to value chain finance products.

## **B2b. Knowledge Management and Sharing Activities**

As part of a broader effort to document and communicate key learning from staple foods activities and ensure consistent national adoption of regional initiative, COMPETE will continue

to develop training and awareness materials, document lessons learned, and capture/present best practices and recommendations that will be made available to a wider global audience through COMPETE's website as well as its EAGC and the EAC partners. This knowledge management and sharing approach will help to strengthen regional training delivery; support the development of national implementation roadmaps; and serve as a resource for farmers, FBOs, border agents, warehouse operators, etc., seeking to adopt new standards, improve performance, and increase market access.

***Develop and disseminate training and awareness materials*** – COMPETE will work with key partners to develop training manuals and other materials. Specifically, COMPETE will work with the EAGC and ReSAKKS to develop training of trainers (TOT) materials for the harmonized data collection methodology. COMPETE will also work with the EAGC to develop/upgrade training materials, curricula, and awareness materials on STS (for example, on minimum storage facility standards), harmonized grains standards, and harmonized data collection methodologies. COMPETE will also work with the EAC to formally launch the EAC Trade Help Desk.

The staple foods team will also leverage the transit component's strong presence at the region's key borders and utilize the joint border committee structure to disseminate information on quality standards, sanitary/phytosanitary standards (SPS), structured trading systems (STS), and other policy reforms such as the simplified certificate of origin to facilitate adoption. COMPETE will also work with COPE to develop and expand the reach of the recently launched regional SPS certificate program.

***Promote best practices and lessons learned*** – In support of its efforts to develop the building blocks for structured trade, COMPETE will develop and distribute a best practices white paper on WRS and a commodity exchange case study using the ACE example. COMPETE will also package and present a technical paper on minimum storage standards to the EAC. To effectively disseminate these best practices/lessons learned and other key trade studies, COMPETE will help the EAGC to establish an online library, leverage the EAGC's country offices in Uganda and Tanzania, and hold meetings with bilateral missions, regional/local partners, and value chain actors. COMPETE also will finalize its regional warehouse mapping initiative and ensure that all data is made available on RATIN and East African Corridors.

## **B2c. Capacity Strengthening Activities**

***Provide capacity building support to key regional partners*** – By building the sustainable capacity of key partners — including EAGC, ACTESA/COMESA, EAC and EAPIC/COPE — COMPETE will begin to prepare them for independence and to more effectively utilize future funding directly from USAID or other donors.

### **EAGC**

COMPETE will continue to provide organizational, technical, and grant support to the EAGC to strengthen its capacity to better manage donor funding and more effectively deliver value-added services that respond to members' needs. To improve their organizational capacity, COMPETE's M&E advisor will conduct a needs assessment of the EAGC using COMPETE's institutional

assessment tool and develop a set of recommendation that will allow COMPETE to more effectively target capacity building support. In addition to the focus areas identified in the assessment, COMPETE will provide additional training in financial grant management and M&E reporting. Through its regular technical assistance and advisory work with the secretariat, the staple foods team will continue to build EAGC's capacity to develop or expand products, design and manage programs and projects, and strengthen its position as the face of the region's staple foods private sector.

### **ACTESA**

COMPETE recognizes that ACTESA could be instrumental in the successful implementation of the regional staple foods strategy over the medium to long term, provided the organization address some of its organizational and strategic deficiencies. To support ACTESA, COMPETE will continue to work with the secretariat to finalize its five-year strategy and help it to develop detailed work/operating plans.

### **EAC**

Given the limited capacity within the EAC to effectively address staple foods issues, COMPETE will continue to provide targeted support to EAC Secretariat staff to help them better understand the dynamics and components of STS. COMPETE will also continue to provide technical support for the development of the EAC Trade Help Desk and the Regional Food Balance Sheet Portal.

### **EAPIC/COPE**

COMPETE will continue to support EAPIC's development of a regional pest risk database and the launch of a pest risk website and will provide technical assistance to train national plant protection office (NPPO) staff on how to conduct pest risk assessments and how to upload data to the website. COMPETE also plans to work with COPE to help them expand into an SPS Center of Excellence.

#### **Key Component 2 Deliverables – Staple Foods**

- Upgraded RATIN that delivers valuable information necessary to facilitate regional trade.
- Regionally accepted minimum warehouse operating standards developed.
- Training of trainers and dissemination materials developed for harmonized standards and harmonized data collection methodology. Updated STS training program.
- National and regional food balance sheets updated on a monthly basis, and systems and structures in place to ensure sustainability.
- Series of reports that provide a better understanding of the horticulture value chain and possible interventions for USAID/East Africa completed and disseminated.
- Greater usage of tools critical to the development of structured trading systems.

### **B3. Value Chain Development Subcomponent 2: Fiber, Textiles, and Apparel (FTA)**

[NB: This subcomponent was formerly referred to as Cotton-Textile-Apparel (C-T-A). This change more realistically reflects the actual core sector focus, which is lint fiber to clothing.]

***Value chain competitiveness, regional strategies, and integration*** – The overarching aim of the work in the regional fiber-textiles-apparel (FTA) value chain is to create an efficient regional value chain that profiles Africa, changes perceptions about what is available in the African market, creates value propositions, and builds international recognition of African brands. COMPETE will focus on measures that will improve intraregional dialogue and trade, including effective advocacy in removing barriers to trade, improving regional and national policies affecting trade, and enhancing trade linkage mechanisms and information dissemination practices to increase access to markets. To meet these goals, COMPETE will work closely with its primary partner, the African Cotton and Textile Industries Federation (ACTIF).

***Institutional, technical and organizational capacity of key partners*** – Key to COMPETE’s approach is the need to build the technical and organizational capacity of ACTIF, which will focus on providing new and innovative member services, on becoming more self-sufficient and sustainable, and creating conditions where the organization has the capacity to effect real transformational change across the region. COMPETE will work with ACTIF to be the institutional platform for the development of the FTA industry in the region and the continent, serve as the credible source of regional trade and market information, and provide evidence-led policy and advocacy direction.

***Integration of value chain networks and AGOA market access*** – It is essential for the FTA component to collaborate closely with the ECA Trade Hub component on tracking progress of policy interventions under the African Growth and Opportunity Act (AGOA). The FTA component will help identify areas where firm-level technical assistance and support is required, as well as potential end-market interest and opportunities for investment or other areas of collaboration within the region.

### **B3a. Analysis and Advisory Activities**

COMPETE will continue to provide advisory support to ACTIF’s advocacy program on improving the regional business enabling environment and promoting improved trade policies to ensure that the proposed COMESA Customs Union and the free trade agreement reinforce the regional value chain approach.

***Assessing impact of trade policy interventions on regional and external market access*** – Policy analysis and advisory work will be aimed at supporting ACTIF’s advocacy measures for policy change and implementation, as well as information sharing on market access opportunities and regulatory requirements. This will include obtaining private sector positions to form the basis of input into the EAC negotiating table and will cover revised rules of origin under the EU Economic Partnership Agreement, market access and origin rules under the Tripartite trade arrangement, and a review of the EAC FTA rules of origin and market access requirements to improve trade flow within the EAC itself.

***Expanding market access and trade opportunities under AGOA*** – Part of our work in expanding market access and trade opportunities for textiles and apparel involves close collaboration with the ECA Trade Hub AGOA team to take advantage of the growing interest in Africa as a source and origin for textiles and apparel. This work builds on the momentum gained

from the Origin Africa Designer Showcases held in Nairobi in 2010 and Mauritius in 2011 and the positive image of the region that these events have engendered. FTA will continue to enhance the Origin Africa initiative to market Africa and continue to change perceptions and increase trade.

***Integrating the FTA value chain with ECA Trade HUB activities*** – COMPETE aims to broaden firm-level networks and collaboration, connect businesses across the region as a means of increasing supply linkages, and identify AGOA export-ready companies and enable firms to take better advantage of trade opportunities under AGOA. We will identify appropriate manufacturing facilities for the production of packaged goods (own production), as well as facilities that could be used to contract buyers on a cut, make, and trim basis. The ECA Trade Hub will identify potential U.S. buyers, and the FTA component will identify manufacturers in the regional value chain.

***Tracking policy interventions under AGOA*** – FTA will collaborate with the ECA Trade Hub on tracking progress of policy interventions under AGOA, identifying areas where firm-level technical assistance and support is required, as well as potential end-market interest/opportunities for investment or other areas of collaboration within the region. AGOA defines the U.S.-African trade relationship and is the United States' foremost tool to develop the economies of Africa; hence, the strong emphasis in this area of collaboration.

### **B3b. Knowledge Management and Sharing Activities**

***Conducting EU end-market analysis*** – As part of the initiative to spread market risk and provide companies in the region with alternative markets, COMPETE will conduct an EU end-market analysis to provide companies with greater detail on market opportunities. This will be carried out by short-term technical assistance for which COMPETE will engage the International Trade Centre and the Dutch Centre for the Promotion of Exports from Developing Countries. This study will be widely distributed and shared with stakeholders, U.S. bilateral missions, and the other Trade Hubs working in FTA and disseminated through regional workshops and posted on ACTIF's web portal, [www.cottonafrica.com](http://www.cottonafrica.com).

***Undertaking regional trade association “case study”*** – As suggested in the recent USAID assessment of the COMPETE project, COMPETE will undertake a case study on ACTIF that will have the objective of identifying and capturing the best practices/lessons learned of establishing, and working with, a private sector-led regional FTA organization.

***Enhancing a web portal for enhanced information dissemination*** – The Cotton Africa web portal will be further developed and enhanced to include new features, such as information on the supply and sale of manufacturing equipment, input supplies, and services, and to provide regional price information systems

### **B3c. Capacity Strengthening Activities**

COMPETE will provide capacity building support to ACTIF that targets both its technical capacity and its operational capacity.

### **Technical capacity building**

ACTIF is now recognized as the voice of the FTA value chain. COMPETE's work during the last 18 months of the project will continue to build the capacity of this key regional association to operate independently and sustainably

#### ***Guiding the coordination and implementation of COMESA regional industry strategy –***

Building on the work of the regional competitiveness strategy conducted by COMPETE and FTA stakeholders' adoption of the COMESA Cotton to Clothing industry strategy implementation plan, ACTIF will take a leadership role in coordinating and facilitating implementation of the plans, which will cover the priority areas of trade policy, quality improvement, market linkages, market information, regional market development, and harmonized standards through the standardization of fiber instrument testing processes. Part of the process will be to identify implementation partners, the funding sources required, and roles and responsibilities.

***Assisting in developing a roadmap to guide regional strategy implementation –*** The FTA advisor will provide guidance and assistance to ACTIF to build the capacity of the private sector-led implementation committee to develop and monitor progress of the regional implementation plan and to develop a road map to guide the implementation process.

***Strengthening capacity to structure project proposals –*** COMPETE will conduct an assessment of ACTIF's ability to adequately construct and articulate project concepts and proposals and will provide technical guidance and training to enable ACTIF to more effectively leverage funding from a wider spectrum of sources. Part of this assistance will be to position ACTIF at a level where it could receive direct funding from USAID. It should be noted that during this past year, ACTIF received an element of funding from TradeMark East Africa, for which a capability and systems audit of ACTIF was conducted as a pre-condition to receiving such funds. ACTIF passed the audit process, and funds were disbursed.

***Improving market intelligence, information, and business linkage systems –*** The gathering and dissemination of market intelligence is a key requirement for business to happen. The FTA advisor will provide guidance and support to ACTIF to improve intraregional dialogue across the value chain, improve its market information system, refine the [www.cottonafrica.com](http://www.cottonafrica.com) web portal, and put in place support services to attract more direct trade linkages between suppliers, manufacturers, and buyers

***Conducting assessments on supply-side analysis and product profiling –*** Work on improving information sharing and product profiling of the fiber, textile, and apparel industries in the East Africa region will be completed during the next 18 months. During the past year, ACTIF engaged the Centre for the Development of Enterprise to conduct supply-side analyses of four EAC countries (Kenya, Tanzania, Uganda, and Sudan). Through COMPETE grant support, ACTIF will conduct one additional supply side analysis in Ethiopia, an increasingly important regional player. This information will play an important role in furthering regional integration between raw material suppliers and end-market users and will provide the region and international buyers with product supply and manufacturing information that will identify trade opportunities and business linkages, leading to increased trade.

### **Operational capacity building**

Work will focus on building ACTIF's capacity to function sustainably and independently. COMPETE will provide direct technical assistance and short term support to ACTIF as required, but emphasis will be on ACTIF developing its own business and sustainability plans with limited support.

***Preparing an online textile directory*** – The FTA advisor will work with ACTIF's administrative and support staff to establish an online textile directory, which will contain company and regional market information, production capacities, and product supply data. This is key information that will be a catalyst for increased intraregional trade and as a manufacturing information source for global retailers and brands.

***Conducting an external institutional sustainability assessment of ACTIF*** – As a follow up to the internal organizational capacity needs assessment conducted for ACTIF, COMPETE will conduct a high-level external institutional sustainability assessment of ACTIF to establish its financial, operating, and organizational capabilities. This will inform the provision of further technical support to fill any shortcomings that may be identified. This will include an assessment of ACTIF's capability to adequately receive and manage donor funds as an independent entity.

***Participating in trade capacity building events*** – In collaboration with the Trade Hub, ACTIF, and in-country partners, the FTA advisor will provide organizational input and technical assistance to hold the Origin Africa Ethiopia 2012 event and provide guidance and technical support to ACTIF to lead and manage the trade show and seminar components of the event.

#### **Key Component 2 Deliverables — FTA**

- A supply analysis of Ethiopia, including product profiling, institutional/communication structures, research and development initiatives, and available training facilities produced and completed.
- A "How To" guide for establishing and working with regional trade associations produced and disseminated.
- A "Sourcing Guide" to East African FTA resources produced.
- EU market analysis providing alternative market options to spread risk produced and disseminated.
- A comprehensive online textile directory developed by ACTIF and made available on [www.cottonafrica.com](http://www.cottonafrica.com).

### **B4. Value Chain Development Subcomponent 3: Specialty Coffee**

Coffee significantly contributes to the gross domestic product of every country in the East Africa Community and in many others in the East and Southern Africa region. An important staple cash crop, coffee contributes to the livelihoods and food security of more than 27 million Eastern African smallholder producers in remote rural areas. With access to the income generated by coffee, smallholder producers can better feed their families, educate their children, and provide better health care to their families. However, the coffee value chain in the region has not yet rewarded smallholder coffee growers for producing high-quality coffee that could gain a higher price on international markets and, therefore, bigger returns to producers. To capture more value upstream, coffee farmers must increase the quantities and quality of their coffees and become more integrated into the coffee value chain.



COMPETE works closely with the coffee industry in the region and the international buyers of specialty coffee to support efforts to increase the volumes, quality, and value of East African coffee. Working with regional and international partners, COMPETE has helped to re-engineer the way revenues are shared from producer to consumer along the value chain and is working to build on the growing demand for increased transparency and traceability from coffee consumers.

#### **B4a. Analysis and Advisory Activities**

*Providing advisory support to the specialty coffee industry* – COMPETE, along with its technical partner, the Coffee Quality Institute (CQI), will continue to work with EAFCA to structure, streamline and institutionalize the systems and procedures required to expand the Taste of Harvest from a small, sideline regional quality competition to the region's leading quality identification initiative. This will allow EAFCA to extract unique information on the region's specialty coffees and effectively deliver that information to a regional and global audience as part of an expanded suite of member/industry services. The successful development of this key program will strengthen EAFCA's position as the region's authority on specialty coffee.

Much of COMPETE's work will focus on the development of individual Taste of Harvest country marketing materials; standard pre- and post-event procedures, such as sample collection, data collection, data entry, etc.; and formalizing relationships with key national organizations such as coffee boards or development agencies to drive participation in Taste of Harvest and defray costs; and strategies for post-event marketing materials and membership development materials.

#### **B4b. Knowledge Management and Sharing Activities**

*Expanding capture and dissemination of Taste of Harvest data* – COMPETE will deliver focused support in the form of short-term technical assistance and possibly a grant (or other Partnership Fund support) to ensure that EAFCA is able to effectively disseminate its proprietary Taste of Harvest data. This will support and help EAFCA develop an integrated system for data collection and processing that is linked to an updated website that allows users access to historical data, individual producer information, and interactive maps, as well as to manipulate and search data (and meta data) on individual cupping attributes. This will enable end-users to plan regional buying and shorten the distance between producer and end user. EAFCA's revamped website will also link coffee shippers to up-to-date information on transit logistics that enable exporters to more effectively navigate the difficult regional environment and better meet buyer requirements.

#### **B4c. Capacity Strengthening Activities**

*Building the technical and operational capacities of EAFCA* – The development of formal relationships and systems at the national level to support the expansion of Taste of Harvest will allow COMPETE to help EAFCA build the capacity of its national chapters, which is critical to the long-term sustainability and viability of Taste of Harvest.

CQI will continue to train new cuppers in SCAA and Q cupping protocols, as part of a broader effort to increase awareness of coffee quality and to build local cupping capacity, which will help drive down Taste of Harvest costs by expanding the pool of quality cuppers across the region.

## **B5. Value Chain Development Subcomponent 4: Value Chain Finance**

Inadequate access to finance is a major constraint to regional trade, food security, competitiveness of value chains, livelihoods, and economic development in East Africa. This is true even for medium and large agribusinesses, producer organizations, processors, and lead firms and traders, which are instrumental to enhanced food availability and affordability, economic growth, trade, and job creation. To dramatically increase food security, regional trade, and employment and to reduce poverty, it is critical to increase access to financial services throughout the region as a means to creating direct access to end markets and enabling players in the value chain to substantially increase volumes and incomes.

To help address this constraint, the COMPETE finance team will build on previous investments at the macro/meso level to strengthen the financial sector regulatory framework and ecosystem by working with EAC, COMESA, the Kenya School of Monetary Studies (KSMS), the College of Insurance (COI), the African Trade Insurance Agency (ATI), and the East African Agricultural Finance Network (EAAFN). At the micro-level, COMPETE is partnering with regional financial institutions to build capacity and enhance utilization of selected value chain finance products to enable increased lending to the COMPETE targeted value chains, agribusinesses, lead firms, processors, aggregators, and traders. COMPETE will further partner with RTAs, technical/production implementing organizations, development partners, and donors to build sustainability and promote knowledge sharing, linkages, and dissemination of best practices and lessons learned.

The goal of this next phase is to help sustainably build the agricultural and value chain finance infrastructure and ecosystem and open up the channels of finance for agribusinesses; micro, small, and medium enterprises (MSMEs); processors; lead firms; aggregators; and traders to increase food security, regional trade, and economic development in East Africa.

### **B5a. Analysis and Advisory Activities**

*Improving East Africa's access finance for the agricultural sector* – COMPETE will continue to support the organization and establishment of the EAC Agricultural Fund, a fund of funds that consists of four sub-funds: Loan Guarantee; Payment of Insurance Premiums (for small commercial farmers); MSME Equity for Agriculture Value Chain Processing; and EAC Strategic Reserve Fund. The EAC Secretariat has approved proceeding with the fund. It is now necessary to develop the business plan and prospectus for the fund, and carry out fundraising to initially capitalize the fund. COMPETE will enable the business plan and prospectus to be completed and approved, thereby laying the foundation for launching the fund. The fund will directly facilitate financing and insurance that will enable dramatic growth and competitiveness in the agricultural and food processing value chains. In addition to analysis and advisory, COMPETE is building capacity in East Africa for the establishment and operation of lending, investment, and guarantee

funds. COMPETE will provide technical assistance in the coordination of the working group on the EAC Agriculture Fund.

***Building partnerships with the private sector*** – The establishment of the East African Bankers Association, East African Insurance Association (linked closely with the College of Insurance) and East African Private Equity Association has progressed, and each is more than 60 percent of the way to being operational. COMPETE will help bring these associations, all of which span the five EAC countries, to an operating level. These associations will advocate for their members on an EAC-wide basis to improve the enabling legal, regulatory, and policy environment and ecosystem for increasing access to finance. COMPETE will help the associations hold conferences to further regional financial sector policy harmonization and link to the EAAFN for knowledge sharing (see below).

***Supporting development of the agri-business sector across the EAC*** – COMPETE helped establish the East Africa Agricultural Finance Network (EAAFN), housed in the KSMS. The next step is to finalize implementation and to advise on how to best populate the web-based portal with information of value to diverse target audiences, including private businesses, farmers, governments, donors, financial institutions, insurance companies, students, traders, and warehousers, among others. EAAFN will support e-learning and provide information, resources, tools, spreadsheets, applications, analysis, and news about agricultural and value chain finance and insurance, including information from donors, development finance institutions, projects, ministries, agencies, and associations, etc. It will support both the public and private sector. It also will host the Agricultural Finance Toolkit and the Agricultural Insurance Toolkit. The e-learning platform will utilize Moodle.

***Providing technical support to the USAID East Africa mission on development of a DCA focusing on regional trade*** – COMPETE has conducted some analysis and feasibility of a potential regional DCA loan portfolio guarantee to reduce risk and facilitate access to finance to support regional trade in East Africa. A number of banks have expressed interest in such a DCA guarantee. Upon request from USAID East Africa, COMPETE will undertake additional analysis and advisory activities to further the development of this guarantee mechanism.

## **B5b. Knowledge Management and Sharing Activities**

Banks and other financial institutions are often reluctant to lend to farmers and agribusinesses, due to the perceived increased risks of agricultural lending, including its seasonal nature, uncontrollable weather-related events, the perishability and the high market volatility of agricultural goods. Therefore, agricultural financial education and training, disseminating market information, and developing agricultural insurance knowledge become key inputs in developing sustainable and competitive regional value chains.

***Building professional expertise in agricultural lending and agricultural insurance*** – COMPETE helped develop the Regional Certificate in Agriculture Finance Program (CAF) with KSMS, and the first cohort of 38 students representing four EAC countries has already graduated. The students are employees of banks, credit unions, non-bank finance institutions and microfinance institutions and bring their new, practical knowledge back to their workplaces for

further implementation, knowledge sharing, and leverage. COMPETE will now help roll out CAF to expand attendance and geographic outreach through additional advisory work, capacity building, and knowledge sharing. Additional students will undertake the program at KSMS, and the modules will be brought to the other EAC countries. The modules will also be developed into the Agricultural Finance Toolkit (an agricultural lending unit in a box), which will be made available on the EAAFN for e-learning. COMPETE's finance and policy teams will work to formalize the recognition of CAF by the EAC (it already has been accepted by the Secretariat). At least 80 additional students will graduate the CAF program. COMPETE will conduct surveys of the first set of students to determine how the training has benefitted them and what impact it had on their organizations. The EAAFN will be a comprehensive knowledge sharing and e-learning platform for both agriculture itself and agricultural finance of all kinds – nationally, regionally, and internationally.

COMPETE also partnered with the Kenya College of Insurance, EAC, Rabobank, and Swiss RE to develop the Regional Certificate in Agricultural Insurance (CAI) Program. Equivalent to the CAF program, albeit for insurance, 35 students from four EAC countries graduated from the first program, which was a combination of weather index insurance training (conducted in association with the World Bank) and general insurance training. The insurance industry in East Africa suffers from a lack of trained personnel, especially in the areas of agricultural risk assessment and agricultural insurance products such as crop, weather, rainfall index, credit, and trade insurance. COMPETE will now help roll out CAI to expand attendance and geographic outreach through additional advisory work, capacity building, and knowledge sharing. Additional students will undertake the program at COI, and the modules will be brought to the other EAC countries. The modules will also be developed into the Agricultural Insurance Toolkit which will be made available on the EAAFN for e-learning. COMPETE Finance and Policy Teams will work to formalize the recognition of CAI by the EAC (already accepted by the Secretariat). At least 80 additional students will graduate from the CAI program. COMPETE will conduct surveys of the first set of students to determine how the training has benefitted them and what impact it has had on their organizations.

***Learning from the region's practitioners*** – In order to bring COMPETE's finance activities together, as well as those of other regional and bilateral projects, and share them with the broadest possible community of public and private sector actors, beneficiaries, and counterparts, COMPETE proposes organizing a conference titled "East African Value Chain Finance for Food Security, Trade, and Economic Growth" for approximately November 2012. The goal is to share best practices and lessons learned in value chain financing from the EAC region and globally. The conference will include topics such as the strategic importance of food security, trade, economic growth, and livelihoods in East Africa; problems and challenges of access to finance in the agricultural/agribusiness sectors; building vertical linkages in the financial sector; innovative rural financial and insurance products and services; creating an enabling environment for value chain finance; management of production, price, market, default, currency, and other financial risks; and the role and importance of training and knowledge sharing.

***Capturing and sharing information on access to finance*** – COMPETE also will develop case studies and best practice reports on the use of various financial and insurance products in the EAC market. These will include documentation of lessons learned on transactions that

COMPETE facilitated with financial institutions and insurance companies with companies in the value chains.

As a way to facilitate financial literacy and improve the capacity of borrowers to apply for financing, insurance, etc., COMPETE will help develop step-by-step how-to manuals on topics such as “How to Apply for Financing” for each EAC country, as well as a “Trade Finance Manual” (in conjunction with the U.S. Trade and Development Agency). These manuals will be made available to potential borrowers through RTAs, financial institutions, insurance companies, the EAAFN, and other appropriate outlets.

### **B5c. Capacity Strengthening Activities**

COMPETE’s finance and policy teams will support the EAC in the development of the EAC Agriculture Fund. This activity will build on the submission of the “Concept Note on the Agriculture Fund” to the EAC Sectoral Council on Agriculture and Food Security.

***Improving governance of ICT systems with a focus on the financial sector*** – East Africa and particularly Kenya are becoming globally known as centers for mobile money transfer systems and the use of mobile phones for e-banking and other e-commerce solutions. There are many organizations already involved in assisting with the development of regulatory systems to control the financial risks involved; however, a gap has been identified by the COMPETE finance team in the governance of the risks in the IT systems supporting this development. To this end, based on support already received for this activity from the EAC and the private sector, COMPETE will proceed with assisting EAC to implement the ISO- and ISACA-developed IT governance framework and support the development of toolsets to allow managers to bridge the gap among control requirements, technical issues, and business risks. This will enable clear policy development and good practice for IT control throughout organizations. It also emphasizes regulatory compliance, helps organizations to increase the value attained from IT, enables alignment, and simplifies implementation of the risk management frameworks.

***Supporting Africa Trade Insurance Agency in opening a new branch in Rwanda to introduce credit risk insurance*** – A crucial aspect to the facilitation of trade is mitigating the risk of defaults on sales and purchase transactions as well as long term contracts. The African Trade Insurance Agency, a parastatal created by COMESA, is offering credit risk and political risk insurance to meet these needs. We will assist ATI with development of underwriting skills to manage these risks by developing their office in Rwanda to service Rwanda, Burundi, the DRC and possibly South Sudan. We also will assist them in the marketing of their products by dissemination of their materials in training programs, conferences, and other appropriate venues.

***Strengthening capacity of regional institutions to use value chain finance tools*** – In Year 3, COMPETE began working with several financial institutions to facilitate their lending to key COMPETE value chains. COMPETE’s finance team served as an honest broker, providing a foundation for building trust, due diligence and communication among the various actors and initial technical assistance and capacity building for the increased utilization and tailoring of financial products for lending to agriculture, food processing, and commodity trading.

During the next 18 months, the COMPETE finance unit will increase its work in the East Africa region with selected partner financial institutions to utilize, promote, tailor, and refine the use of appropriate value chain finance products to increase access to finance and promote regional trade. This work will be coordinated with the KSMS, CAF, and EAAFN training and knowledge sharing programs. These products will include purchase order financing, post-shipment, export, receivables, inventory, equipment and leasing finance, and documentary credit as appropriate for the institution and value chain transaction requirement. Assistance in adaptation of credit policies and procedures, credit scoring, risk mitigation, transaction structuring, and on-the-job training will be provided. COMPETE will also help with matchmaking of potential cross-border and overseas transactions sourced from RTAs, other partners, and the private sector with the financial institutions. COMPETE will compile case studies and best practices that will be made publicly available to further build capacity and share knowledge. COMPETE has already begun to work with several financial institutions, and will regularly assess the impact of its activities with each partner bank and adjust its focus accordingly. This work involves analysis and advisory activities, but the major goal is to build capacity and share knowledge to greatly leverage the assistance and increase long-term sustainability.

#### **Key Component 2 Deliverables - Finance**

- Second and third regional Certificate in Agricultural Finance programs launched at the KSMS, and at least 80 bank supervisors/staff and regulators trained.
- Second and third regional Certificate in Agricultural Insurance programs launched, with at least 80 insurance and finance industry players trained in agricultural insurance methodologies.
- Developing and supporting the implementation of the agricultural finance knowledge management portal through EAAFN.
- Implementing the “First East African Conference on Value Chain Finance for Food Security, Regional Trade and Economic Growth”.
- Case studies and lessons learned disseminated on value chain finance methodologies and products.

## C. Component 3: ECA Trade Hub

### C1. Vision and Strategy

The ECA Trade Hub vision is to develop sustainable trade from East and Central Africa to the United States at the firm level under the African Growth and Opportunity Act, thereby stimulating economic growth in the region.

The ECA Trade Hub strategy — through its Origin Africa campaign — is changing perceptions about doing business in Africa, putting Africa on the map as a preferred sourcing destination, and demonstrating to international buyers and industry leaders that creativity and innovation are an integral part of Africa's future.

Origin Africa is the one-stop shop for business and national governments seeking to take advantage of trade opportunities under AGOA. Origin Africa educates private sector groups and associations about AGOA opportunities and provides technical assistance to African firms and governments to enhance their competitiveness in global markets. Origin Africa also promotes direct business linkages through trade shows and inward buyer missions and creates valuable business networking opportunities through business-to-business events and innovative workshops.

#### Component 3: Implementation Partners

COMPETE works with the following key public and private sector partners:

- **Private sector** – Firms in East Africa, Ethiopia, Mauritius, and the Seychelles working in the four trade hub focus areas, cut flowers, apparel, home décor/fashion accessories and specialty foods; members of the Friends of Africa Advisory Board; U.S. apparel and accessories sourcing agents; and buyers for retail manufacturers.
- **Public sector** – National export promotion bodies such as the Kenya Export Promotion Council or Enterprise Mauritius.
- **U.S. Government** – USAID bilateral missions, U.S. Trade Representative, the U.S. Department of Commerce.
- **Other donor projects** – Southern Africa Trade Hub and West Africa Trade Hub

### C2. Analysis and Advisory Activities

The ECA Trade Hub will undertake end-market analyses in selected sectors and AGOA competitiveness strategies with selected countries and/or regional partners. These analyses and strategies feed into knowledge sharing and capacity building efforts. A good example of this is the U.S. apparel end-market analysis which contributed to the FTA/ACTIF competitiveness strategy.

**Conducting end-market analyses** – In the project's first six months, the ECA Hub submitted and received approval on its recommendations to USAID for targeted AGOA sectors for export support. These four sectors are: textiles/apparel, cut flowers, home décor and fashion accessories, and specialty foods. Recognizing the challenges of the U.S. specialty foods market, the ECA Hub will complete a U.S. end-market analysis for the specialty foods sector. Recognizing the potential of a new AGOA sector for ECA Hub intervention — leather footwear — the ECA Hub will also complete a US end-market analysis for leather footwear.

***Undertaking AGOA competitiveness strategies*** – Reflecting the strategic needs of national governments and regional institutions in approaching the U.S. market, the ECA Trade Hub will undertake strategies that look specifically at competitive and comparative advantages under AGOA. Two new strategies will be undertaken and one updated, one at the regional level (in close collaboration with the East Africa Community) and two at the national level in Kenya (in close collaboration with Kenya’s Export Processing Zones Authority) and an updated strategy in Mauritius (in collaboration with Enterprise Mauritius and the Ministry of Trade).

***Providing ad hoc advice to national governments and institutions on AGOA implementation*** – The ECA Trade Hub intervenes at the request of national governments to advise on and clarify aspects of AGOA legislation. Governments in the region look to the ECA Trade Hub as a knowledge sharing center regarding implementing of AGOA. For example, last year the ECA Trade Hub, at the request of the Ugandan Government, trained Ugandan Trade Ministry officials on the AGOA rules of origin visa process in order to facilitate Ugandan exports to the United States. The ECA Trade Hub will continue to provide this service in Year 4.

**Building Origin Africa for Sustainable, Firm-Level Trade and Development**

- The Friends of Africa Board of Advisors, which is made up of a cross-section of buyers in the United States, contribute their knowledge and expertise to guide Africa through its growth as a global sourcing destination.
- A counterpart entity — Origin Africa Exporters Advisory Board — is made up of an emerging network of African designers, manufacturers, and interested stakeholders who are leading the way in African trade.

### **C3. Knowledge Management and Sharing Activities**

Knowledge management and sharing is a critical tool to connect the ECA Trade Hub with its partners, passing on lessons learned and promoting best practices. ECA Trade Hub activities such as information dissemination via websites, AGOA Tool Kits, Fact Sheets and targeted events will significantly advance knowledge transfer to the private sector and other stakeholders.

***Updating website and disseminating information*** – The ECA Trade Hub will further populate the COMPETE and Origin Africa websites. Reports to be added include the completed “National AGOA Competitiveness Strategies” and best practices studies such as “Determining Export Readiness” and “Best Practices in Overseas Representation.”

***Developing an AGOA toolkit DVD*** – The AGOA Toolkit DVD is an Origin Africa effort to provide a user-friendly guide to exporting to the United States under AGOA to a wide range of stakeholders, including businesses, associations, government bodies, and RECs.

***Sharing Origin Africa fact sheets: sector-specific best practices*** – Programmatic assistance and impact have been greatest at the firm level, promoting direct business linkages between the United States and East and Central African firms. To share those best practices and lessons learned with the business community at large, the ECA Trade Hub will develop fact sheets in each of its core sectors.

***Leading Origin Africa sector-specific workshops*** – The ECA Trade Hub will organize, in all of its core sectors, targeted workshops to share sector advisors’ knowledge and expertise with business communities throughout the region.



***Expanding awareness about AGOA and U.S. foreign assistance*** – As part of the Origin Africa awareness campaign, the ECA Trade Hub will continue to engage Africa-focused advocacy and cause marketing groups such as ONE, Invisible Children, Wrap Up Africa, and Indego Africa.

#### **C4. Capacity Strengthening Activities**

Since 2003, the ECA Hub — first as one component of a separate USAID project, and since 2009 under the broader COMPETE project — has worked with hundreds of firms, assisting them to gain market access or expand in the United States. It is also important to ensure that the businesses created have transformational impact and sustainability. The ECA Hub has taken an innovative approach to its programmatic assistance, introducing new strategies and initiatives that seek to broaden and deepen the commercial relationship between East African and U.S. companies.

***Providing firm-level technical assistance*** – The Hub will continue to work with industry experts across all of its core sectors to provide hands-on technical assistance to promising companies in the region, ensuring that products exported from the region to the United States are market ready.

***Participating in international trade shows*** – Consistently organized and coordinated Origin Africa pavilions at trade shows are part and parcel of the ECA Trade Hub market linkages strategy. The ECA Hub will support the development of buyer/seller relationships by providing cost-sharing support for export-ready ECA firms that are interested in export to the United States, by sponsoring their participation in at least six international trade shows during the year. The trade shows selected are in line with the target AGOA export sectors. Among them in the coming year are the MAGIC Apparel Show, International Floriculture Expo, Fancy Foods, and Ethical Fashion Show.

***Organizing Origin Africa outreach events*** – Building on previous Origin Africa events (Origin Africa Nairobi Designer Showcase and Origin Africa Mauritius: Fiber to Fashion), COMPETE will organize an Origin Africa 2012 “Go To” Event. This event will include a trade expo for African companies, a pan-African designer showcase, and a symposium program. The winning designer of Origin Africa 2012 will be sponsored to participate in the Africa Fashion Week New York 2012 — an Origin Africa title-sponsored event.

***Facilitating inward buyer missions*** – The ECA Trade Hub will continue to organize and lead targeted, sector-specific missions made up of motivated U.S. buyers interested in sourcing from Africa.

***Expanding the Friends of Africa Board of Advisors*** – The ECA Trade hub created the Friends of Africa Board of Advisors, a cross-section of buyers in the United States. With the planned formation of the Origin Africa Exporters Advisory Board, an African-based entity, the Friends of Africa will continue to grow and evolve and contribute their knowledge and expertise to guide Africa through its growth as a global sourcing destination.

***Building organizational capacity of partners*** – Memorandums of Understanding (MOUs) between the ECA Trade Hub and its strategic partners aim to build organizational capacity and strengthen private sector export readiness. An overarching, shared goal, as encapsulated by the MOUs, is for the country’s private sector to more broadly benefit from AGOA across key sectors. The ECA Hub will build on the existing MOU with Enterprise Mauritius and will pursue MOUs with the Textiles Industry Development Institute in Ethiopia and Kenya’s Export Processing Zones Authority.

***Leveraging intra-project synergies and collaboration*** – ECA Hub intra-project collaboration has been most pronounced with the FTA value chain, particularly via the Origin Africa initiative. This collaboration will be enhanced to capitalize upon the full advantages presented by AGOA to exporting apparel firms in the region — via increased access to information on regional sources of supply, capacities, etc. AGOA defines the U.S.-Africa trade relationship and is the United States’ foremost tool to develop the economies of Africa — and apparel is by far the largest sector under AGOA. Yet the backward linkages/investments along the FTA value chain in Africa — in spinning, weaving, etc. — have not materialized, leading some observers to conclude that AGOA, at least in this regard, has not delivered on its promise. Renewed emphasis on the FTA value chain would be a good first start in seeking to reverse this perception and develop the sector, and therefore the economies in Africa, to their full potential.

#### **Key Component 3 Deliverables**

In FY12, ECA Trade Hub interventions will result in:

- \$75 million in exports to the U.S. by ECA Trade Hub-supported firms.
- 250+ companies assisted to export.
- Launch of new AGOA sector — footwear — for ECA Trade Hub intervention.
- End-market analyses completed in specialty foods.
- 15 companies graduated from ECA Trade Hub assistance.

#### **D. Monitoring and Evaluation (M&E) Approach**

The COMPETE FY12 M&E strategy has been informed by the observations and recommendations made by the USAID internal assessment of COMPETE 2011. The subsequent roadmap for strengthen monitoring and evaluation during the life of the contract identified the following actions to be taken:

- Reducing the number of indicators on which COMPETE reports.
- Using M&E data as a tool in an improved knowledge management platform.
- Ensuring a direct field monitoring linkage between data submissions and actual field activities.
- Confirming that data quality assessments meet USAID requirements.

COMPETE’s program performance monitoring and evaluation roles shall adopt the recommendations of the assessment and continue to support the program team and USAID/East

Africa with performance data to drive evidence-based decision making and to provide capacity building for COMPETE partners institutions to develop their internal M&E systems and their institutional governance to support their growth towards sustainability.

## **D1. Vision and Strategy**

The COMPETE M&E systems shall be streamlined following the roadmap from the USAID internal assessment of COMPETE 2011, as indicated in the strategy map below.

<b>Streamlining Project Reporting</b>
<b>Review Performance Monitoring Plan</b> <ul style="list-style-type: none"><li>• Update PMP according to updated results framework.</li><li>• Identify indicators rendered irrelevant.</li><li>• Revisit methodology for transit metrics.</li></ul>
<b>Enhance knowledge sharing</b> <ul style="list-style-type: none"><li>• Perform inventory of knowledge management assets, data sources, and expected users.</li><li>• Extend data handling and dissemination capabilities on the M&amp;E system.</li><li>• Increase accessibility of data held in the M&amp;E system to partners and USAID.</li><li>• Update documentation for the institutional sustainability model.</li><li>• Develop capacity of partners to use the institutional sustainability model.</li></ul>
<b>Improve data quality and validity</b> <ul style="list-style-type: none"><li>• Strengthen capacity of partners in monitoring and evaluation.</li><li>• Enforce data quality assurance procedures for submissions.</li><li>• Develop new data verification techniques.</li><li>• Implement recommendations from last USAID data quality assessment.</li></ul>

The activities of M&E during the next 15 months of the project shall be carried out in three broad areas — namely analysis and advisory, knowledge management and sharing and capacity strengthening — with the following objectives:

- To deliver an enhanced performance dataset following a review of the performance indicators and data collection methodologies.
- To extend the knowledge sharing capabilities of the practices and lessons learned in the execution of program activities.
- To provide improved support in the strengthening partner capacity to perform project monitoring and evaluation.

## **D2. Analysis and Advisory Activities**

The delivery of relevant and timely information on the performance of the COMPETE program and its progress towards achieving its objectives is vital to ensure effective management of program activities and accountability to USAID. The collection, storage and processing of data to generate the information that is required for these purposes is guided by the performance monitoring plan (PMP), a document that comprehensively outlines how the elements of COMPETE's results framework are measured, and how all the associated data is handled.

While the current PMP was primarily based on the COMPETE contract and the deliverables stated therein, numerous changes have occurred and greatly influenced the program's operational environment. These have included, among others, shifts in U.S. government foreign policy, changes in regional trade arrangements, national elections, a global financial crisis, and two droughts. The net effect of these events has changed the landscape in which the program is operating, and has occasioned the need for a review of the performance metrics that are in use. To provide timely and relevant analyses and advisory services on project performance, a review and update of the results framework, performance indicators, and related procedures shall be carried out.

#### **Revising the COMPETE PMP**

The COMPETE PMP provides guidelines for the management and reporting of project performance data. The document currently lists 47 indicators, based on the foreign assistance framework and multiple initiatives that COMPETE falls under. This has created a heavy reporting requirement for the COMPETE team and partners.

The COMPETE PMP shall be updated against the new results framework that describes the new focus of the program, and the PMP shall be revised to retain only the indicators that are relevant to the program.

This process will involve the revision of the COMPETE results framework based on FY 2011-2015 USAID/East Africa Multi-Year Strategy, elimination of performance indicators that have been rendered irrelevant or redundant (e.g., indicators on volume of regional trade), and updating data management methodologies where the mandate of the task has changed (e.g. the supplementary initiative to improve transit performance along the central corridor). Concurrently, the quality and validity of the performance data shall be improved by continuing to enforce the COMPETE-developed data quality assurance procedures, developing and implementing new data verification techniques (e.g. by incorporating more sources for data triangulation) and continuing to implement the recommendations from the last USAID data quality assessment.

### **D3. Knowledge Management and Sharing Activities**

To effectively demonstrate the progress and impact of the activities carried out by COMPETE and partner institutions, substantial amounts of information are collected and processed to provide the project team and USAID with project performance information. This information is typically collected from documents prepared by the project staff, as well as data generated by partner institutions and secondary sources such as the EAC, COMESA, the International Coffee Organization; and the International Cotton Advisory Committee. This information is augmented with contextual data (e.g., COMESA trade statistics, agricultural production forecasts, food security outlook bulletins, etc.) and substantive information to support the validity of reported results (e.g. independent survey results, independent reports, etc.).

#### **Sharing a Unique Body of Knowledge**

The processes to collect, process, and disseminate data on COMPETE's regional interventions have created a unique body of knowledge on best practices and lessons learned. The body of knowledge comprises project documents, performance information, substantive documentation, and contextual data, including COMESA trade statistics, agricultural production forecasts, food security outlook bulletins, etc. The COMPETE online reporting platform shall be extended with data handling and information dissemination capabilities to enable partners and stakeholders to access the body of knowledge.

With its interventions in transit, finance, trade policy, and cross-border trade and international trade, COMPETE is uniquely positioned in the regional trade environment, and this has enabled the program's performance reporting processes to serendipitously compile a unique body of knowledge that covers regional trade issues, best practices, and lessons learned. The compiled body of knowledge is currently held in an information repository that forms part of COMPETE's online reporting platform, which is currently operating in beta mode and serving only internal users.

As the COMPETE online reporting platform shall be accessible over the Internet and on mobile phones, the system is going to be extended and opened up to serve as a regional knowledge portal for stakeholders to access and retrieve not only project performance information, but also best practices and lessons learned by the project and other partners. This process shall entail performing a knowledge inventory to establish the knowledge assets held, verify the authoritative sources of data, and determine the expected users of the knowledge and their desired access levels, as well as enhancing data handling and information dissemination procedures, including alerts on information of interest that are generated. For example, a stakeholder may be able to speed clearance of transit goods across a border after receiving information about a successful intervention by a COMPETE partner at another border. Currently, a selection of reports and performance information is being compiled for sharing through the project website.

#### **D4. Capacity Strengthening Activities**

To achieve its objectives, COMPETE works with partner institutions including regional trade associations such as EAFCA and EAGC, regional NGOs such as Farm Concern International, and regional professional associations such as the Information Systems Audit and Control Association. As partners of a USAID/East Africa development program, these institutions require internal capacity to carry out performance monitoring and reporting activities that are necessary for accountability and strong institutional governance to ensure their sustainability.

As an ongoing activity, COMPETE provides human capacity strengthening support to the partner institutions to build their capacity to perform the M&E activities stipulated in their grant agreements. In addition to ongoing direct technical support, M&E workshops are conducted for their reporting and technical staff to equip them with the skills to collect, process, and submit reporting data in accordance with the requirements of their grant agreements. The workshops cover different approaches for monitoring and evaluation of programs, data quality assurance, measurement systems and

##### **Partner Capacity Development for M&E**

To ensure that COMPETE partners are able to collect, process, and submit their performance data as required, M&E workshops are conducted for their reporting and technical staff. The training is augmented with access to the COMPETE web-based reporting platform, which the partners are able to use for their own M&E efforts under the COMPETE partnership.

COMPETE shall continue to provide partner capacity development to develop M&E systems and to comply with the new data quality assurance procedures that shall be implemented.

procedures, as well as project management and measurement systems. Previously, COMPETE has provided staff training for ACTIF, EAFCA, EAGC, Kenya Shippers' Council, and Kenya Transport Association.

COMPETE augments the human capacity development with access to the COMPETE web-based reporting platform, which partners without an M&E system are able to utilize for management of their reporting data under their COMPETE partnership.

Another capacity strengthening focus for COMPETE will be the institutional strengthening of identified partners to qualify for direct USAID funding following graduation from the COMPETE Partnership Fund. Accession to direct USAID funding shall require the partner institutions to demonstrate strong capabilities in a multitude of management criteria.

To establish the capability and sustainability of partner institutions, COMPETE utilizes the COMPETE Institutional Sustainability Maturity Model (CISMM), a unique institutional governance framework that was developed by the program based on industry best practices and the widely popular maturity model approach for organizational development. The framework is based on the Sustainability Guidelines for Management framework, and the maturity of the institution in each of the elements defined in the framework is assessed using the maturity model approach, which was pioneered by Carnegie Mellon University. The CISMM is used to assess an institution's capabilities in the use of its resources to achieve the organizational goals while maintaining or enhancing its financial (revenue and other income), social (membership and stakeholders), human (labor force) and manufactured (tools and technology) capacity.

**Partner Capacity Support for Sustainability**

COMPETE performs institutional assessments of its partners using the COMPETE Institutional Sustainability Maturity Model (CISMM), an institutional governance framework that was developed by the program based on industry best practices for achieving sustainability. The assessments performed are used to identify organizational areas that require intervention, and provide a roadmap for organizational development toward sustainability.

COMPETE shall develop the capacity of the partner institutions to use the framework internally to strengthen their systems and organizational capabilities in preparation for direct USAID funding upon graduation.

As the CISMM is based on extensively accepted organizational improvement frameworks, it can be easily understood and adopted by COMPETE partners to use as their own internally driven initiative to benchmark their capabilities and to guide themselves along the organizational development roadmap. The full power of the governance framework shall be unlocked through the development of partner capacity to apply the framework internally. This capacity development initiative process will include repackaging of the sustainability maturity model documentation make it user-friendly, and training of partner staff to perform internal organizational assessments. In this way, COMPETE will contribute to the sustainability of identified partners by equipping them with the capacity to perform continual organizational improvement using the sustainability maturity model, which shall enable them to qualify for direct USAID funding beyond the life of COMPETE.

#### **Key Monitoring & Evaluation Deliverables**

- A revised COMPETE performance monitoring plan.
- Ongoing M&E capacity building training for COMPETE partners.
- A knowledge inventory of the assets held in the COMPETE M&E repository.
- An expanded knowledge management system for sharing knowledge compiled in the M&E repository.
- Context-rich performance results information provided to drive success stories and case studies.
- Updated and user-friendly documentation prepared.
- Three partners undergoing training on organizational improvement using the sustainability maturity model.
- Outreach and awareness of COMPETE activities enhanced through series of briefings with bi-lateral missions
- An updated

## **ANNEXES**

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Annex A – Component Roadmaps

Annex B – Component Activities – Gantt Charts

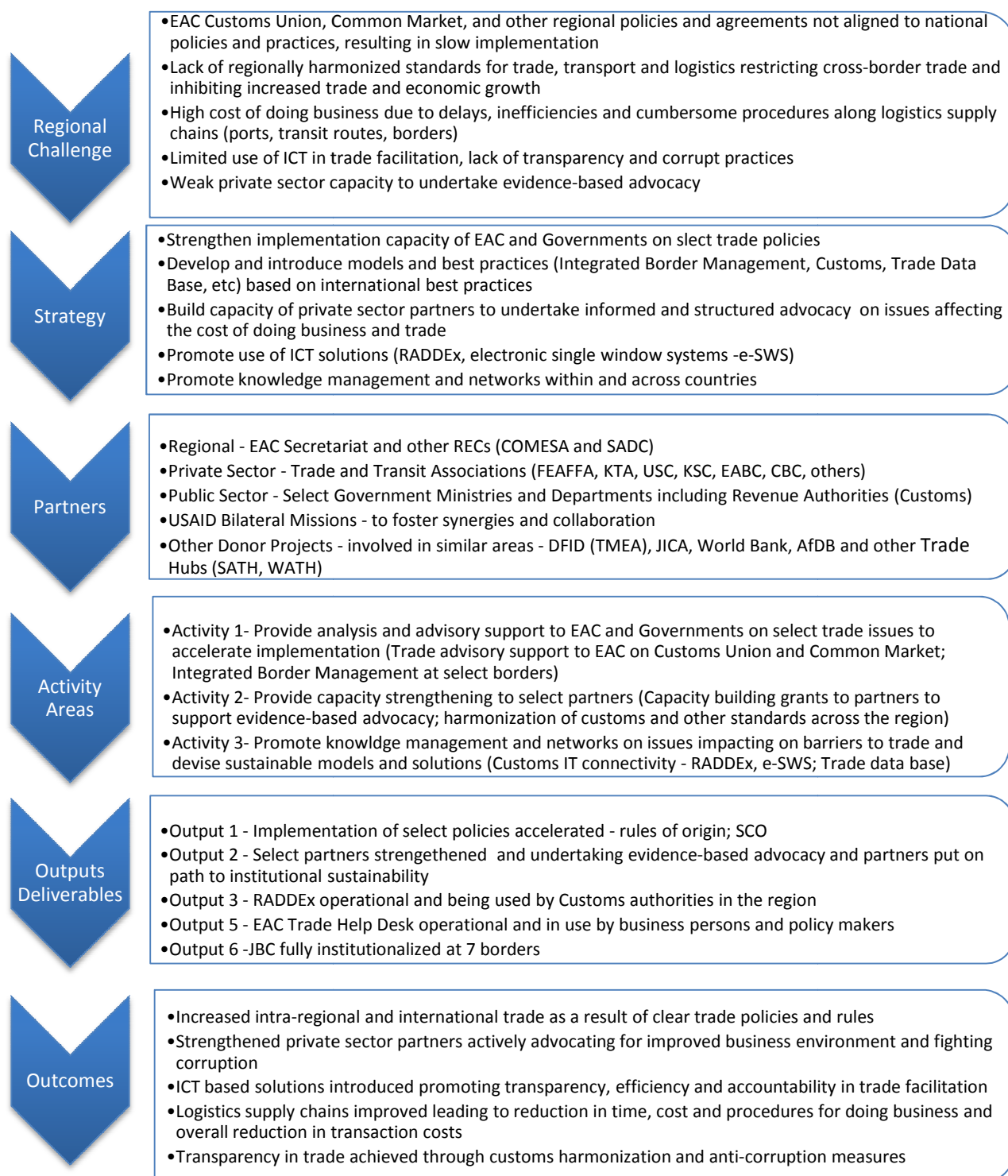
Annex C – Organization Chart

Annex D – Project Budget

Annex E – COMPETE Component Budgets for LOP (FY09-FY11) and Year 4 (FY 12)



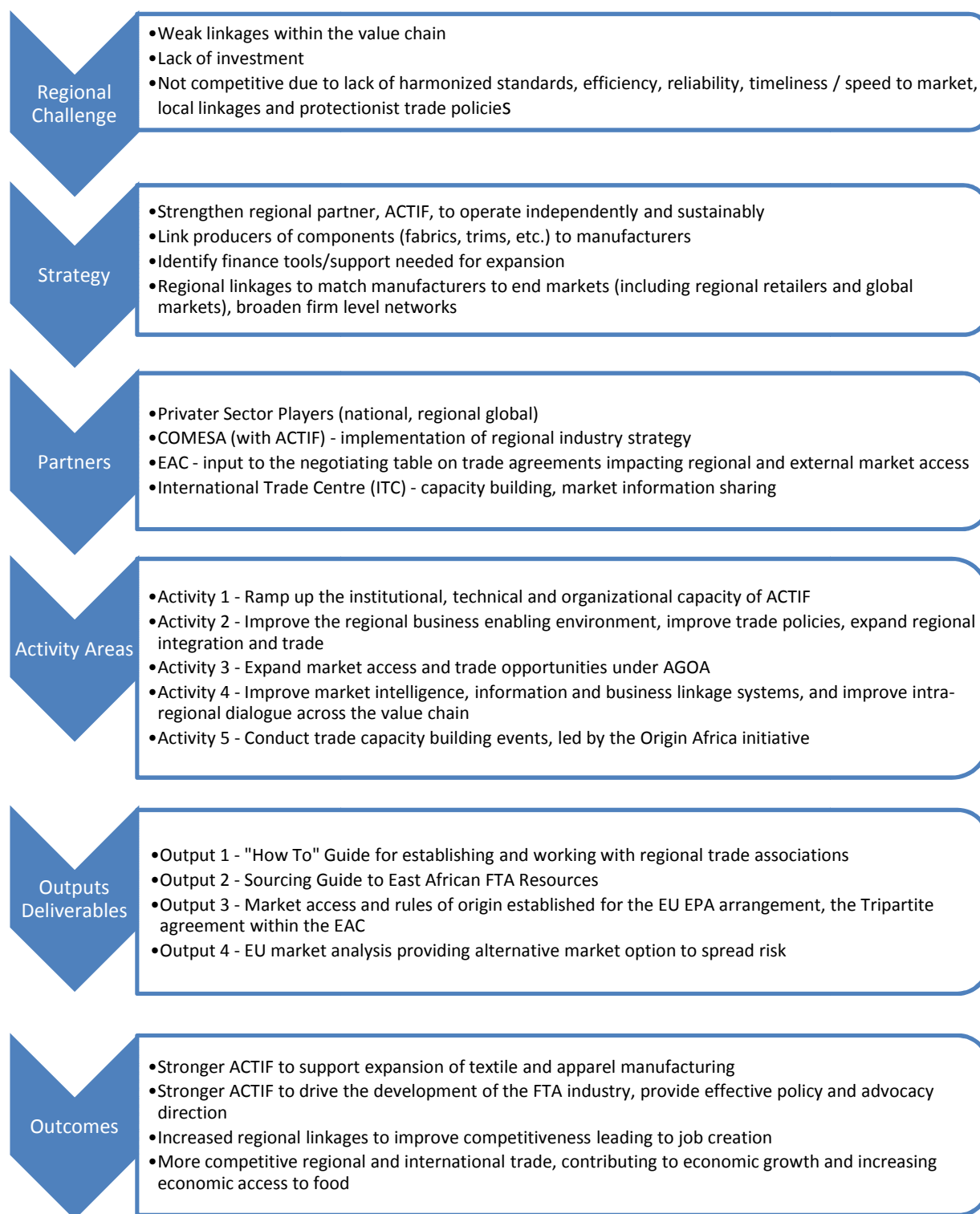
## Annex A Component 1 – Reducing Barriers to Trade



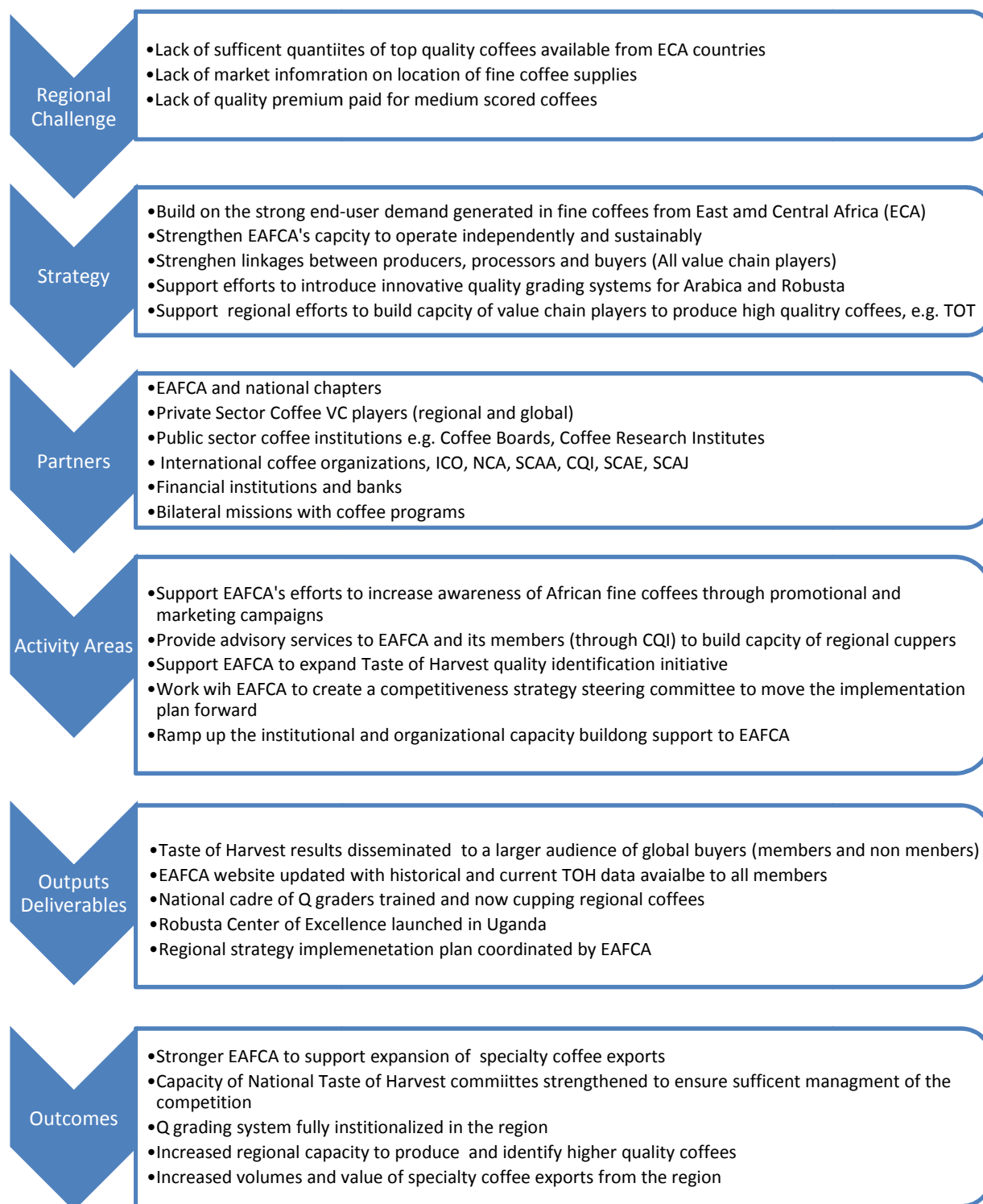
## Annex A Component 2A – Staple Foods Value Chain Roadmap



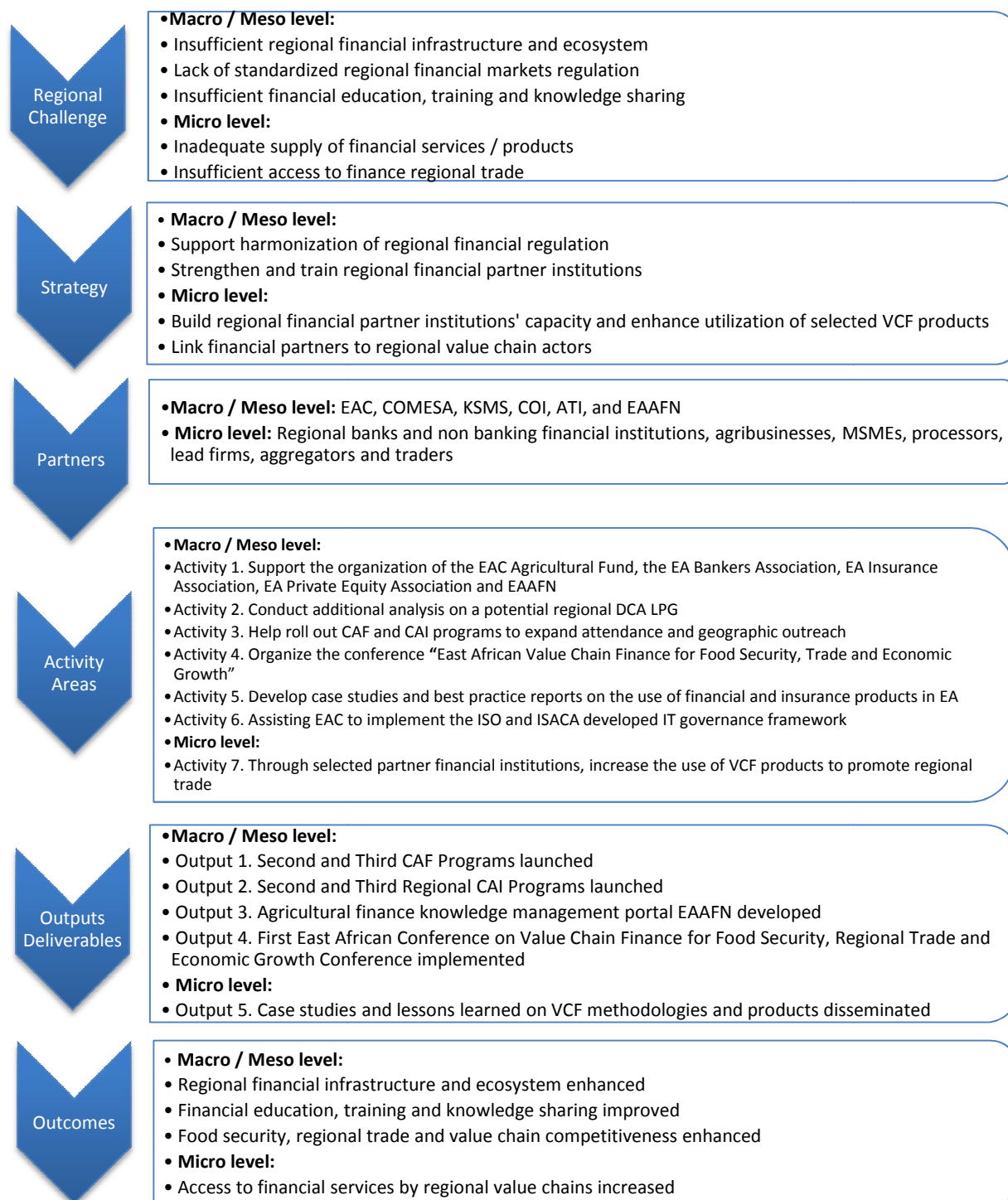
## Annex A      Component 2B – Fiber – Textile - Apparel Value Chain Roadmap



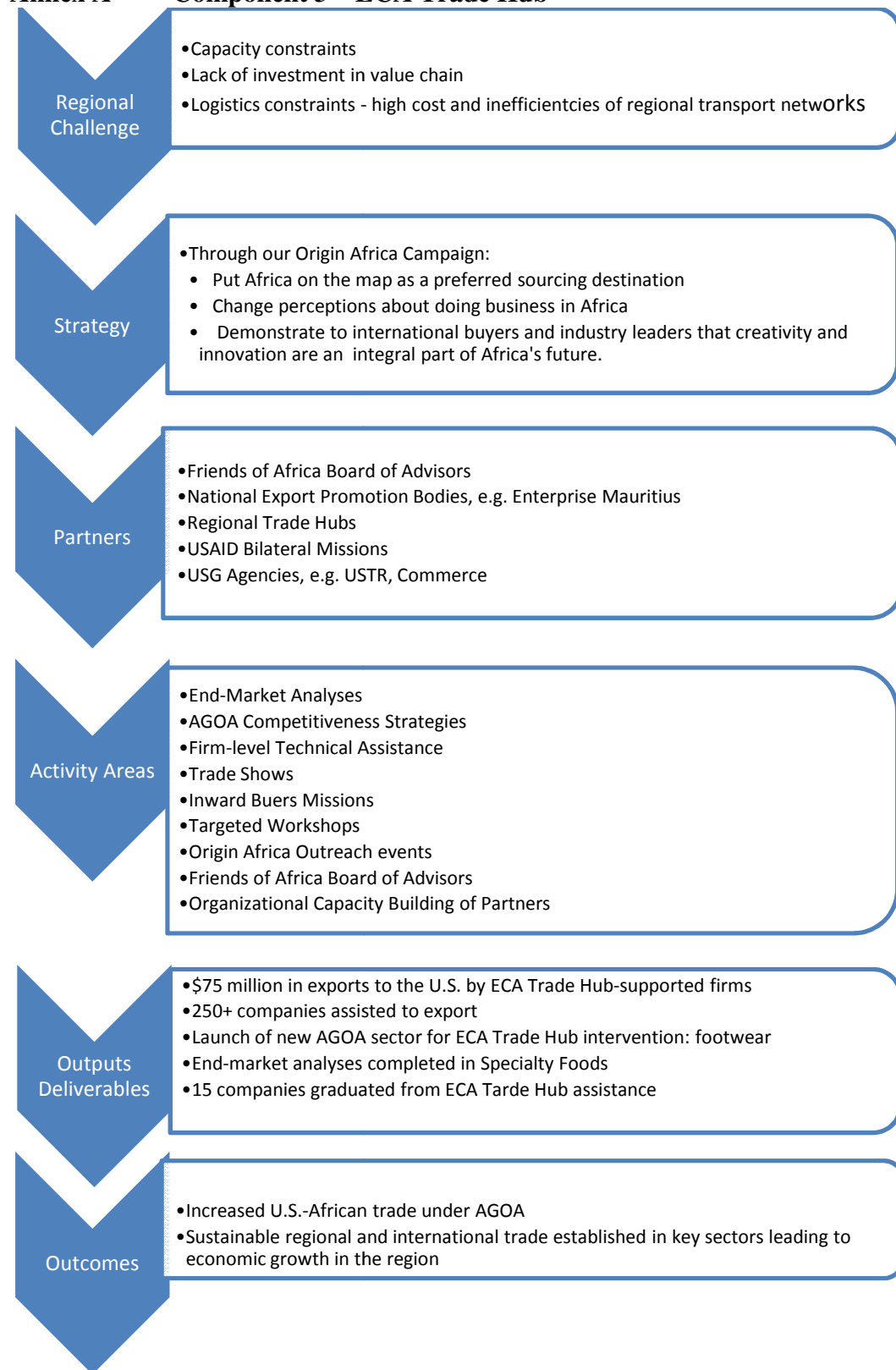
## Annex A      Component 2C – Specialty Coffee Value Chain Roadmap



## Annex A Component 2D – Value Chain Finance Roadmap



## Annex A Component 3 – ECA Trade Hub



## ANNEX B – COMPONENT ACTIVITIES

COMPETE Year 4 Work Plan			2011		2012							
Revised: February 9, 2011	ACTIVITY LEADER	Activity Focus KM, AA, CS	QTR1		QTR2		QTR3		QTR4		QT 1	
			O	N D	J	F M A	M	J	J A S	O N D		
Component 1: Reducing Barriers to Trade												
Activity 1. Trade Advisory Support												
Complete technical papers on trade issues	BK	AA										
Private sector positions on trade and Tripartite agreement	BK	AA										
Private sector joint industry position papers on reducing barriers to trade	DA	AA										
Develop a regional policy on cross-border vehicle goods licenses and permits	BK	AA										
Support EAC in the effective implementation of harmonized transit charges	BK	AA										
Activity 2. Integrated Border Management												
Facilitate adoption of IBM concept to EAC	BK	AA										
Technical support to joint border committees/governments	YM	AA										
Awareness building on IBM at national and regional level	BK	KM										
Support EAC in developing a regional approach to IBM	BK	CS										

<b>Activity 3. Corridor Efficiency Improvements</b>							
Support to corridor authorities on reducing cost of doing business	BK	AA					
Analysis of private sector corridor issues	BK	AA					
<b>Activity 4. Support EAC Customs Harmonization &amp; Implementation</b>							
Operationally EAC Trade Help Desk	BK	CS					
Updating of HS 2007 to HS 2012 version	BK	CS					
Development of a grass-roots customs union publicity strategy and material for EAC	BK	CS					
Facilitate implementation and use of the SCO by EAC revenue authorities	BK	CS					
Develop manuals (post clearance audit, integrity, etc.)	BK	CS					
Training (rules of origin, SCO, procedures etc.)	BK	CS					
Link the C&F agents' curriculum into the EAC customs training curriculum.	DA	CS					
Technical support to Kenya's process of improvement of efficiency in implementation of axle load regulation	BK	AA					
Support transit sector in the formulation and articulation of its position in the Tripartite FTA process	BK	AA					
<b>Activity 5. Institutional Sustainability Support to Private Sector Partners in Transit</b>							
Develop manuals for finance, human resource, management, etc., for transit RTAs	DA	CS					



Institutional assessments and sustainability plans	DA	CS					
Partnership grants	DA	CS					
Training and certification	DA	CS					
Technical support in enhancement of partners' websites to improve content and knowledge-sharing capacity	DA	CS					
Develop transit associations' institutional business plans	DA	CS					
Support private sector joint industry position papers on reducing barriers to trade	DA	CS					
Support FEAFFA, FIATA accreditation of East African Freight Forwarders Practice Certificate	DA	CS					
Institutional sustainability assessments of transit partners	DA	AA					
Institutional sustainability plans of transit partners	DA	AA					
Support Kenya Transport Association "Transport Excellence Awards" gala	DA	CS					
Prepare and disseminate industry guidelines, handbooks, and directories	DA	KM					
Coordination with other donor projects	DA	KM					
<b>Activity 6. Strengthen Border Operations</b>							
Provide operational capacity support to JBCs	YM	CS					
Develop manuals	YM	CS					
Provide training on border operations, standards, AEO, etc.	YM	CS					

Develop and operationalize codes of conduct and standards	DA	CS					
<b>Activity 7. Support the Opening of a One Stop Center at Dar Es Salaam</b>							
Provide operation capacity support	YM	CS					
Develop manuals	YM	CS					
Provide training to users of the OSC	YM	CS					
<b>Activity 8. Customs IT Connectivity</b>							
RADDEx 2.0 continued software development	MS, AM	CS					
RADDEx 2.0 software testing, pilot, and launch	MS, AM	CS					
RADDEx 2.0 system quality assurance and testing	MS, AM	CS					
RADDEx 2.0 regional business and ICT workshops and training	AM	CS					
RADDEx 2.0 supporting hardware procurement and installation at EAC Secretariat and Partner States	AM	CS					
RADDEx 2.0 operations training and sensitization for customs and C&F agents	AM	CS					
Secondment of RADDEx administrator to EAC Secretariat	AM	CS					
<b>Activity 9. Trade Information Management</b>							
Develop trade information strategies for EAC and governments	BK	KM					
Support trade information dissemination to the region	BK	KM					

Disseminate directories of logistics service providers	DA	KM					
<b>Activity 10. Private Sector Awareness on Trade</b>							
Create awareness on emerging trade developments	DA	KM					
Develop strategy for logistics excellence awards	DA	KM					
<b>Activity 11. Harmonized Cargo Clearance Systems</b>							
Process Mapping and Benchmarking – Central Corridor	YM	KM					
Create awareness among officials and users on new systems and procedures	YM	KM					

## COMPETE Year 4 Work Plan

COMPETE Year 4 Work Plan			2011	2012											
Revised:	ACTIVITY LEADER	Activity Focus KM, AA, CS	QTR1	QTR2	QTR3			QTR4			QT 1				
			O	N	D	J	F	M	A	M	J	J	A	S	O

### 2 A: Staple Foods Value Chain

<b>Activity 1. Advise Partners on the Rollout of the Regional SF Strategy</b>																	
Assess ACTESA's capacity to take on the lead role in assuring implementation of the competitiveness strategy	CD	AA															
Work with ACTESA to establish a regional competitiveness strategy steering committee	CD	AA															
Assist ACTESA to develop a roadmap outlining key areas of focus and indicating responsible partners	CD	AA															
Coordinate with other partners to assure synergies and complementarities of efforts	CD & Team	AA															
<b>Activity 2. Develop STS Building Blocks</b>																	
Conduct an assessment of collateral management models in the region	IG	AA															
Develop a set of recommendations and modalities leading to a more flexible collateral management approach	IG	AA															
Advise the EAC on best way to promote the new approach	IG	AA															
Advise the EAGC on establishing standards for grain storage facilities	IG	AA															
Develop the criteria for minimum storage standards for establishing EAC-endorsed warehouse receipts certification	IG	AA															

Update and promote wider use of contracts and contract enforcement	IG	AA					
<b>Activity 3. Advise the EAGC on Improving and Expanding RATIN MIS System</b>							
Provide advisory services to the EAGC on evaluating and redesigning RATIN website	CD	AA					
Engage a firm to carry out an end-user survey of RATIN services	CD	AA					
Work with EAGC and RESAKSS to finalize harmonized data collection methodologies	IT	AA					
Support the EAGC to engage technical assistance to carry out the redesign of the RATIN website	CD	AA					
Facilitate the linkage of commodity exchanges to RATIN	IG	AA					
Support the development of a real-time warehouse volume tracking system to be linked to RATIN	CD	AA					
<b>Activity 4. Support the Development, Domestication, and Sustainability of Regional Policy and Standards Initiatives</b>							
Work with bilateral partners to develop national roadmaps for implementing quality standards	IT & Team	AA					
Advise EAC on establishing a regional food balance working sheet group to oversee management of the RFBS system	BK and IT	AA					
Advise EAC on establishing an institutional arrangement to oversee management of the RFBS system	BK and IT	AA					
Support EAPIC in the completion of the regional pest risk analyses of staple foods	SH	AA					
Advise EAC on establishing a green channel for the cross-border trade of staple foods	BK	AA					
Support EAC in development of food security and nutritional policy	BK	AA					
Support EAC to roll regional harmonized quality standards for staple foods	BK & IT	KM					

<b>Activity 5. Conduct Preliminary Analyses to Assess the Importance of Regional Staple Horticultural Value Chains</b>							
Engage a service provider to conduct a supply side and demand (end-market analysis) of regional staple food trade	SH	AA					
Map the key production and end market zones by key horticultural crops that are traded intraregionally	SH	AA					
Convene a workshop of key partners to review results of studies and to determine potential interventions in the horticulture sector	SH	AA					
Advise USAID EA and bilateral missions working in the horticulture sector regarding regional trade	SH	AA					
<b>Activity 6. Take a Leading Advisory Role Regional Trade in Staple Foods</b>							
Provide advisory support to COMPETE's finance unit to identify value chain actors involved in trading grain	IT	AA					
Provide advisory services to bilateral missions regarding staple foods trade	TEAM	AA					
Meet regularly with bilateral mission staff to determine specific needs	TEAM	AA					
Prepare briefs for distribution to bilateral missions and USAID/Washington	SH	AA					
<b>Activity 7. Develop and Disseminate Training Materials</b>							
Promote minimum storage standards through the EAGC	IG	KM					
Work with EAGC and RESAKSS to develop TOT materials for harmonized data collection	IT	KM					
Support EAGC to roll out STS and regional quality standards training manuals and curriculums and support additional training	IT & IG	KM					
Support the EAC to formally launch the EAC help desk	BK	KM					

Work with the transit team to disseminate staple foods quality standards, SPS, and other policy reforms to joint border committees	IT	KM					
Work with COPE to develop regional certificate in SPS targeting SPS inspectors and private sector players	SH	KM					
<b>Activity 8. Promote Best Practices and Lessons Learned</b>							
Develop best practices white paper in WRS and commodity exchanges and share with regional partners	IG	KM					
Package and present technical paper on minimum storage standards to the EAC	IG	KM					
Support the EAGC to begin efforts to develop an online library of staple foods trade studies	IT	KM					
Disseminate COMPETE knowledge products to a more diverse global audience	TEAM	KM					
Ensure information on warehouses are uploaded onto RATIN and EA corridors	IT	KM					
Hold a series of meetings with bilateral missions and local partners to share information	TEAM	KM					
<b>Activity 9. Provide Capacity Building Support to Key Partners</b>							
ACTESA							
Support ACTESA in finalizing its five-year strategic plan	CD	CS					
Support ACTESA in developing operating plans	CD	CS					
Build ACTESA's capacity to take on the lead role in coordinating the regional staple foods strategy	CD	CS					
EAC							
Work with EAC to anchor STS within the EAC regional efforts of enhancing intraregional trade in staple foods	BK & IG	CS					

Support EAC to develop and sustain RFBS	BK /RG	CS					
<b>EAGC</b>							
Conduct a needs assessment of EAGC's capacity needs based on COMPETE's institutional assessment tool.	VK	CS					
Work to build the technical and operational capacity of EAGC staff	TEAM	CS					
Train support staff in financial grant management	DW	CS					
Provide training in M&E reporting	VK	CS					
Support EAGC in mobilizing private sector data for the RFBS	IT&BK	CS					
<b>COPE and EAPIC</b>							
Provide grant support to COPE to become a Center of Excellence for SPS in the region	SH	CS					
Support EAPIC's development of a pest risk data base and launch portal web page	SH	CS					
Use STTA to train national plant protection office staff on how to enter data and conduct pest risk assessments	SH	CS					



COMPONENT 2 B: F-T-A Value Chains								
<b>Activity 1. Improving the Regional Business Enabling Environment, Improved Trade Policies and Expand Trade Opportunities</b>								
Conduct a comparative analysis of the revised rules of origin under the EU Economic Partnership Agreement (EPA), and develop an ACTIV / industry negotiation and advocacy position	BF & BK	AA						
Conduct an analysis of the proposed rules on market access and rules of origin under the Tripartite arrangement, and develop an ACTIV / industry negotiation and advocacy position	BF & BK	AA						
Prepare a statistical trade report on regional trade potential and regional market access requirements in the EAC	BF & BK	AA						
Conduct a review of the EAC FTA rules of origin and establish industry recommendations to improve the free flow of trade in the EAC	BF & BK	AA						
Hold a regional workshop to disseminate and create awareness of the various trade policy positions reached, the regulatory requirements, factors impacting FTA market access, and market access opportunities	BF & BK	KMS						
<b>Activity 2. Expand Market Access and Trade Opportunities under AGOA</b>								
Collaborate with the ECA Trade HUB on tracking policy interventions under AGOA, identify areas needing firm-level assistance, and identify potential US end-market investment opportunities	BF & HUB	AA						
Collaborate with the Trade HUB to broaden firm-level networks and integrate the HUB with the FTA value chain to connect businesses across the region	BF & HUB	AA						
Collaborate with the Trade HUB to enhance the Origin Africa initiatives to change perceptions and increase trade	BF & HUB	AA						
<b>Activity 3. Market Intelligence, Information and Trade Systems</b>								
Conduct an EU end-market analysis to provide companies in the region with alternative market options, and to spread market risk	BF	KMS						
Hold a regional workshop to disseminate EU end-market analysis, data and market access requirements - include stakeholders, US bilateral missions and	BF & HUB	KMS						

Trade HUBs							
Undertake a case study on ACTIF, identifying and capturing the best practices and lessons learned of establishing a private sector led regional FTA organization. Disseminate using an already planned regional workshop, and through the www.cottonafrica web portal	BF	KMS					
Further develop the www.cottonafrica web portal and user interface to include new features such as information on the supply and sale of manufacturing equipment, input supplies and services, and to provide regional price information systems	BF	KMS					
<b>Activity 4. Technical Capacity Building</b>							
Provide guidance and support to ACTIF to lead, develop and monitor progress of implementation of the COMESA regional FTA strategy monitor progress of implementation of the COMESA regional FTA strategy	BF & CD	CS					
Develop an implementation road map to guide the implementation process for the regional strategy	BF & CD	CS					
Provide technical assistance and guidance to build the capacity of the COMESA strategy implementation committee, hold an initial planning meeting of the committee, followed by three implementation progress plan update meetings	BF & CD	CS					
Hold a consultative meeting with the Southern Trade HUB (SATH) to align the regional strategy focus areas and actions, and seek support / ownership for key strategy initiatives	BF & CD	CS					
Provide guidance and support to ACTIF to improve its market information system, strengthen its capacity to refine the www.cottonafrica platform, and put in place support services to attract more direct trade linkages between suppliers, manufacturers and buyers	BF	CS					
<b>Activity 5. Operational Capacity Building</b>							
Provide direct technical assistance and support to ACTIF develop its business plan and to refine its sustainability plan, to build capacity to function sustainably and independently	BF	CS					
Assist ACTIF to establish an on-line textile directory, to be the catalyst for increased inter-regional trade, and as a manufacturing information source for	BF	CS					

global retailers and brands							
Conduct an external institutional sustainability assessment of ACTIF to establish its organizational capabilities, on the basis of which, additional technical support may be provided. To also establish ACTIF's financial and operating systems capability to receive and manage donor funds as an independent entity, and its readiness to receive direct funding from USAID	BF & VK	CS					
Provide technical assistance to the Mauritius Export Association (MEXA) to create a trade and business website, designed to provide the region and the international market place with information necessary to establish both import and export trade linkages with Mauritius, a key regional partner	BF & VK	CS					
<b>Activity 6. Trade Capacity Building Events</b>							
Attend ACTIF Board meeting and participate in the CTA value chain conference for East Africa, a key component being to build capacity to deliver vocational and management training that meets the regional industry needs	BF & CD	CS					
In collaboration with the Trade HUB, showcase Origin Africa at Swahili Fashion Week in Tanzania, increase the profile of Origin Africa in the region and internationally, conduct a workshop on integrating design and marketing, and to select a Tanzanian designer representative to participate in Origin Africa Ethiopia 2012	BF & HUB	CS					
Launch of Origin Africa Ethiopia 2012 Trade Show in Addis Ababa, and hold discussions with Ethiopian partners to conclude their funding and organizational commitment for the April 2012 event	BF & HUB	CS					
Attend Hub of Africa Fashion Week Ethiopia, identify technical stage production vendors for Origin Africa 2012, and finalize contract and arrangements with event hotel venue	BF	CS					
Hold the Origin Africa Ethiopia 2012 event in collaboration with the Trade HUB, ETGAMA Ethiopia and ACTIF, incorporating the full FTA value chain, with the focus on business and innovation	BF & HUB	CS					
Pre-event organizational visits to Addis Ababa	BF & HUB	CS					
Attend and participate in the annual AGOA Forum	BF	CS					
Attend and participate in the International Cotton Advisory Committee (ICAC) Plenary 2012	BF	CS					

Attend and participate in the International Textile Manufacturers Federation (ITMF) annual conference	BF	CS					
<b>Activity 7. Private sector positions on market access and rules of origin for the EU EPA arrangement.</b>							
Tripartite agreement established and adopted by the EAC negotiation table		AA					
<b>Activity 8. Disseminate Knowledge management and sharing products</b>							
End-market analysis of the EU textile and apparel market disseminated to stakeholders		KMS					
A case study on ACTIF, capturing the best practices and lessons completed							
<b>Component 2 C: Specialty Coffee Value Chain</b>							
<b>Activity 1. Provide advisory services to the regional coffee industry through CQI</b>							
Recruit Coffee Corps volunteers to assist in enhanced EAFCA's TOH cupping activity	SW, CQI	AA					
Advise EAFCA on establishing a Center of Excellence for Robusta Coffees in Uganda	SW, CQI	AA					
Advise EAFCA on assuring the implementation of the coffee strategy roadmap	SW, CQI	AA					
<b>Activity 2. Expand and disseminate TOH data to a wide audience</b>							
Advise EAFCA on increasing the scope and coverage of TOH winning coffees	SW,CD	KM					
Assist EAFCA to develop an integrated system for data collection and processing of TOH data	SW, CD	KM					

Provide support for the developing a TOH portal on EAFCA's web page	SW, CD	KM					
<b>Activity 3. Build the technical and operational capacities of EAFCA</b>							
Assist EAFCA to procure roasting and cupping equipment for establishing a testing lab	CD, CQI	CS					
Provide additional training on setting up an international standard cupping and roasting lab	CD, CQI	CS					
Assist EAFCA to provide additional cupping courses to regional players to create cadre of Q cuppers	CD, CQI	CS					
Provide training on keeping financial records and grant management	CD, CQI	CS					

Component 2D - Value Chain Finance							
<b>Activity 1. Certificate in Agricultural Finance (CAF) KSMS Phase 2</b>							
Conduct Second Round of Training for CAF with Kenya School of Monetary Studies	MT	KM,CS					
	-						
<b>Activity 2. Certificate in Agricultural Insurance (CAI) COI Phase 2</b>							
Conduct Second Round of Training for CAI with College of Insurance	MT	KM,CS					
<b>Activity 3. Monetary Union Project</b>							
Monetary Union Project — Is EAC Private Sector Ready for MU	MT	AA					

Report Completed with WB and USAID COMPETE for EAC	MT	AA					
<b>Activity 4. East African Agricultural Finance Network (EAAFN)</b>							
Establishment Board Meeting for East African Agricultural Finance Network	MT	KM,CS					
Conduct BOD meeting and work plan approval for ag fin KM and training network	MT	KM,CS					
Implementation of EAAFN activity under contract							
<b>Activity 5. East African Bankers Association</b>							
Conduct initial board meetings and MOU signing	MT	CS, KM					
Implementation of EABA activity under contract							
<b>Activity 6. East African Insurance Association</b>	-						
Conduct a stakeholders workshop for the establishment of the association	MT	CS, KM					
<b>Activity 7. East African Private Equity Association</b>							
Conduct stakeholders planning session to establish and drive the association	MT	CS, KM					
Implementation of EAPEA activity under contract							

<b>Activity 8. EAC Agriculture Fund</b>							
Support EAC in the Development of the Fund	MT	CS, KM					
Conduct Expert Planning Work Shop to implement the fund	MT	CS, KM					
<b>Activity 9. Trade Finance Manual</b>							
Finalize development and publication of the EAC Trade Finance Manual	MT	AA,CS					
<b>Activity 10. EAC IT Governance</b>							
Conduct expert meeting to implement BMIS and ISO IT governance standards in EAC	MT	CS, KM					
<b>Activity 11. African Trade Insurance Agency</b>							
Open the ATI Underwriting Office in Kigali.	MT	CS, KM					
<b>Activity 12. Analysis &amp; Advisory</b>							
Deal origination — selecting transaction pipeline — components/RTAs/banks	VG	AA					
Structuring and executing financing transactions across the three value chains	VG	AA					
<b>Activity 13. Capacity strengthening of Partners</b>							
Capacity building of partners (banks; RTAs; borrowers) through hand-holding/real world training and product expertise during live deals RTA Partners: EAGC, EAFCA, and ACTIF.	VG	CS					

<b>Activity 14. Knowledge Management &amp; Sharing</b>							
Sharing best practice within banks and across financial market	VG	KM					
Developing case studies for banks, NBFIs, and commercial finance lenders. Case studies will be developed jointly with KSMS and a business school (e.g. Strathmore University); a tripartite arrangement with co-branding potential.		KM, AA, CS					
Workshops and meetings to spread the word with ecosystem partners.	VG	KM					
First African Conference on Value Chain Finance for Food Security.							
Regional trade and economic growth; showcase for work over the next 15 months.	Compete	KM					
Support for repository of case studies, best practice, info and data.	Compete						



COMPONENT 3 - ECA Trade Hub							
-							
<b>Activity 1. Sector Analyses</b>							
Identify Consultant and draw up SOW for specialty foods US end - market	FH, JM	AA					
Report delivered for specialty foods US End-Market	FH, JM	AA					
Identify Consultant and draw up SOW for Footwear US End-Market and deliver report	FH, JM	AA					
Identify Consultant and draw up SOW for Specialty Foods Supply Side and deliver report	FH, JM	AA					
<b>Activity 2. AGOA Competitiveness Strategies</b>							
Identify Consultant and draw up SOW for Kenya strategy and deliver report	FH, JM	AA					
Identify Consultant and draw up SOW for EAC strategy and deliver report	FH, JM	AA					
<b>Activity 3. Ad-Hoc AGOA Implementation Advice</b>	FH, JM	AA					
<b>Activity 4. Website Information and Dissemination</b>							
Identify vendor and begin redesign of OA website	FH, JM	FH, JM					
Upload AGOA reports	FH, JM	FH, JM					

<b>Activity 5. AGOA Toolkit DVD</b>							
Collect information for use on DVDs	FH, JM	KMS					
Collaborate with IT on DVD design and format	FH, JM	KMS					
Upload on website and disseminate DVD to stakeholders	FH, JM	KMS					
<b>Activity 6 - Origin Africa Sector Fact Sheets/Best Practices</b>							
Produce fact sheets in core sectors	FH, JM	KMS					
Upload to websites and disseminate to clients	FH, JM	KMS					
<b>Activity 7 - Origin Africa Workshops</b>							
Swahili Fashion Week: Integrating Design and Marketing	FH, JM	KMS					
Interstoff Hong Kong - AGOA: Sourcing companies	FH, JM	KMS					
Origin Africa Ethiopia	FH, JM	KMS					
Home Decor and Fashion Accessories Workshop	FH, JM	KMS					
Apparel Workshop	FH, JM	KMS					
Mauritius AGOA Workshop	FH, JM	KMS					
Mauritius Week USA Workshop - Enterprise Mauritius	FH, JM	KMS					
<b>Activity 8. Origin Africa Outreach via Partners</b>	FH, JM	KMS					

<b>Activity 9 . Firm-level Technical Assistance</b>							
Home Decor and Fashion Accessories	FH, JM	CS					
Specialty Foods	FH, JM	CS					
<b>Activity 10. International Trade Shows</b>							
Fancy Foods Show - San Francisco, CA, JAN 15-18	FH, JM	CS					
MAGIC - Las Vegas, NV, FEB 12-16	FH, JM	CS					
San Francisco International Gift Fair - San Fran, CA, FEB 18-21	FH, JM	CS					
Interstoff - Hong Kong - MAR 14-17	FH, JM	CS					
Ethical Fashion Show - Paris, France, MAR 1-4	FH, JM	CS					
International Floriculture Expo - Miami, FL, JUN 20-22	FH, JM	CS					
MAGIC - Las Vegas, NV - AUG 19-22	FH, JM	CS					
Tendency - Frankfurt, Germany - AUG	FH, JM	CS					
D&A Show - New York - SEP	FH, JM	CS					
Ethical Fashion Show - Paris, France, SEP 1-4	FH, JM	CS					
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<b>Activity 11. Origin Africa Outreach Events</b>							
Swahili Fashion Week - Tanzania, Nov 9-14	FH, JM	CS					

Origin Africa Ethiopia - Addis Ababa, Ethiopia, APR 25-18	FH, JM	CS					
Africa Fashion Week NY - New York, NY	FH, JM	CS					
<b>Activity 12. Inward Buyer Missions</b>							
Apparel Buyers Mission	FH, JM	CS					
Home Decor Buyers Missions	FH, JM	CS					
<b>Activity 13 - Friends of Africa Board of Advisors</b>							
Semi-Annual Meeting - Las Vegas, NV, FEB 2012	FH, JM	CS					
Origin Africa Ethiopia - Addis Ababa, Ethiopia, APR 2012	FH, JM	CS					
<b>Activity 14 - Capacity Building of Partners</b>							
<b>Mauritius MOU</b>	FH, JM	CS					
Hold Annual meeting, collect results, design annual work plan	FH, JM	CS					
Partner with EM on Mauritius Week USA	FH, JM	CS					
<b>TIDI Ethiopia MOU</b>	FH, JM	CS					
Meet with Ministry and TIDI officials	FH, JM	CS					
Draw up MOU	FH, JM	CS					

MOU Signing Ceremony	FH, JM	CS					
<b>EPZA Kenya MOU</b>	FH, JM	CS					
Meet with EPZA Chairman and CEO	FH, JM	CS					
Draw up MOU	FH, JM	CS					
Sign MOU	FH, JM	CS					
<b>Activity 15 - Intra-Project Synergies &amp; Collaboration</b>							
Coordinate with FTA Value Chain	FH, JM	CS					
<b>Activity 16 - Bilateral Mission Coordination</b>							
Complete Bilateral country fact sheets as appropriate	FH, JM	CS					
<b>Activity 17 - Other USG Activities/Meetings/Workshops</b>							
ACTE Mtg. - Washington DC	FH, JM	KMS					
AGOA Forum - Washington DC							
<b>Activity 18 - Developing Origin Africa Campaign</b>	FH, JM	CS					
Refine OA Message							

Develop strategic approach								
Identify way forward for OA, post-COMPETE								

## ANNEX C - Revised COMPETE Organizational Chart – February 23, 2012

